

**FBIS**

# DAILY REPORT

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*Latin America*

Vol VI No 092

12 May 1982

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COSTA MENDEZ SEES NEW PEACE TALKS 'FLEXIBILITY'

PA120334 Paris AFP in Spanish 0307 GMT 12 May 82

[Text] Caracas, 11 May (AFP) -- Argentine "flexibility" in the new peace negotiations with Great Britain is expressed in the fact that it does not give preference to recognition of its sovereignty over the Malvinas, but seeks instead to conclude with this recognition, Argentine Foreign Minister Nicanor Costa Mendez stated today. In an exclusive statement to Venezuelan newsmen, carried here tonight by Caracas Channel 8, Costa Mendez declared that his country does not and cannot renounce the objective of recognition of its sovereignty over the Malvinas.

The Argentine foreign minister thus shed light on his country's position in the new round of talks intended to overcome the South Atlantic crisis that UN Secretary General Javier Perez de Cuellar is undertaking. Costa Mendez, in another part of his statement to Venezuelan newsmen, accused Britain of "inflexibility and an absolutely hard position." He noted that this "inflexibility and hardness" are conveyed in the aggressive statements by British Prime Minister Margaret Thatcher.

Further on, asked about incidents of British military pressure and the reduction of the exclusion zone to 12 miles, he noted that he trusts in "Argentina's ability to give an adequate response to any British attack."

He stressed that if such an attack were to be made and were to be assisted by the United States, this would change the continental political context by touching the very foundations of continental solidarity and, beyond that, would affect the Inter-American Treaty of Reciprocal Assistance (TIAR), the battered continental defense agreement. The Argentine foreign minister did not hesitate to note that such assistance would be a great error by the United States and that Latin America could never forget it. He expressed trust in U.S. good sense in that respect.

CP ISSUES DECLARATION ON S. ATLANTIC CONFLICT

PY120327 Buenos Aires TELAM in Spanish 2230 GMT 11 May 82

[Text] Buenos Aires, 11 May (TELAM) -- Athos Fava, secretary general of the Communist Party of Argentina [CPA], asserted today that communists believe national honor and pride are involved in the wake of the British aggression in the South Atlantic, and that they will be the first to prevent humiliation because they are inspired by the patriotism of the Argentine people.

Fava made these statements during a press conference at CPA headquarters here this afternoon. The purpose of the conference was to outline some aspects of the trip Fava made to European countries to explain the Argentine position on the dispute. According to Fava, his trip included meetings with the leaders of the communist parties of the USSR, Chile, Great Britain, France, Portugal, Paraguay and Uruguay, and the results were "very encouraging." Bilateral documents were signed at all the meetings in which Argentine sovereignty over the islands was acknowledged and a call was made for a peaceful solution to the conflict under the UN documents.

Among the most important leaders Fava visited were Boris Ponomarev, of the Central Committee of the CPSU; Alvaro Cunhal, secretary general of the Portuguese Communist Party; Luis Corvalan, former secretary general of the Chilean Communist Party and now living in Moscow; Rodney Arismendi, of the Uruguayan Communist Party; and Maxime Engremont, international policy director for the French Communist Party.

Fava noted that the declaration signed with the British Communist Party acknowledges Argentine sovereignty, calls for eliminating colonialism and states that no people who oppress others can be a free people. Moreover, the declaration repudiates the U.S. stance on the issue.

Concluding, leader Hector Agosti read a declaration by the CPA Political Commission, which terms the British attitude as similar to the crimes perpetrated by nazism and which have been condemned by all nations. The declaration also demands that negotiations be conducted without setting up bases on the islands and without any U.S. participation whatever.

INTERIOR MINISTRY CALLS OFF MEETINGS ON MISSING

PY112355 Buenos Aires HERALD in English 11 May 82 p 11

[Text] The Interior Ministry failed to meet its own May 10 deadline to provide information on missing persons to their relatives and turned away over 300 people who had been invited to briefings yesterday. Instead of the case by case meetings with top officials promised by the government, the relatives were received by a ministry spokesman at Government House who promised them information "sometime in the future." There was no official reason given for why the meetings were called off.

But many of the relatives, some who had come from as far away as Chaco and Salta Provinces, were angered by the government's attitude. They remained outside Government House for some time, and then marched around the Plaza de Mayo. Hundreds of relatives of missing people began lining up outside the Interior Ministry at 7:30 yesterday, the appointed place for the briefings, but they were turned away, told that the building was being sprayed with disinfectant.

Most of them walked together to Government House and demanded an urgent meeting with Interior Minister Alfredo Saint Jean, who originally announced the briefings in mid-March. At that time he said the ministry would need "several months of preparation to analyze over 6,000 complaints," and later scheduled the meetings for between April 10 and May 10. Relatives received letters telling them when and where to go for their briefings.

Meanwhile, federal court judges yesterday threw out three habeas corpus petitions on behalf of three persons, two detained and one missing. Judges Raul Rodriguez Araya, Fernando Mataras and Ramon Montoya cited in their decisions Article 23 of the Argentine Constitution which suspends constitutional guarantees during a state of siege. The writs were presented on behalf of Luis Maria Alfei and Ana Maria Donalisio, both arrested in 1976 and sentenced to four years imprisonment for alleged links with terrorist organizations.

Although their sentences were up 1980, they remained in custody at the disposition of the executive branch. Alfei petitioned for the right to leave the country in 1981 but was turned down by Federal Judge Fernando Zavalía. A habeas corpus presented on behalf of Jorge Ruben Frias, who has been reported as a missing person, was rejected "because there is no proof that government organizations were responsible for his disappearance," the court said. The judge's ruling stated that a writ of habeas corpus is only applicable to resolve illegal arrests, not to investigate the whereabouts of missing persons.

MONTONEROS OVERRIDE TV CAST, CONDEMN U.S., UK

PY120253 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0223 GMT 12 May 82

[Text] La Plata, 11 May (NA) -- For the third time since the conflict in the South Atlantic broke out, the Montoneros terrorist organization today again interfered with a television broadcast to condemn the British aggression and demand nationalization of British and U.S. assets in Argentina.

The interference with the programs of Channel 7, Argentina Televisora Color (ATC), was clearly heard in this city and neighboring areas for 12 minutes.

At 2145, as ATC was broadcasting its newscast "60 Minutes," a female voice was heard announcing a "broadcast of Radio Liberacion, of the Peronist Montoneros movement." Then followed a male voice stating that "sovereignty over the Malvinas cannot be claimed since the country is still a colony." He went on to criticize the emergency economic program implemented by Minister Roberto Alemann, stating that "the cost of the conflict should be shouldered by the aggressor and not by the people."

The voice added: "Alemann says there is a shortage of foreign currency. Very well, let us suspend the payment of our foreign debts to the aggressor countries. Let us confiscate the British and U.S. assets and nationalize them." The voice then said that "to hand the subsoil over to the private sector means selling the fatherland" and "sovereignty is not negotiable." After that it proposed "to get the people organized for the active defense of sovereignty" and for that purpose "allow the return to the fatherland to those in exile and release political prisoners." It ended by paying homage "to the soldiers who died defending sovereignty," after which the slogan "Fatherland yes, colony no" and the march "Los Muchachos Peronistas" was heard.

#### COSTA MENDEZ SAYS 'EMPIRE CF DEMOCRACY' SOUGHT

PA120358 Paris AFP in Spanish 0313 GMT 12 May 82

[Text] Caracas, 11 May (AFP) -- The military government has decided to achieve an empire of total democracy in Argentina as rapidly as possible, Argentine Foreign Minister Nicanor Costa Mendez said today in an exclusive statement to Venezuelan newsmen in Buenos Aires. The Argentine foreign minister made this statement after noting that while it was President Leopoldo Galtieri's place to say this, he was doing so out of consideration for Venezuela and its newsmen, in view of their solidarity with Argentina in the South Atlantic crisis.

His statement, transmitted here tonight by Channel 8 in Caracas, followed a press conference by Gonzalo Garcia Bustillos, Venezuelan secretary general of the presidency. Garcia Bustillos was sent to Buenos Aires by his government at the head of a mission charged with showing Venezuelan solidarity with Argentina in the Malvinas conflict. Garcia Bustillos dismissed the possibility of any mediation in the conflict by Venezuela, in view of its position of solidarity with Argentina. Venezuelan Foreign Minister Jose Alberto Zambrano noted of this Argentine political opening, formerly expressed to Transportation Minister Vinicio Carrera, who recently visited Buenos Aires.

In his statement to Venezuelan newsmen today, the Argentine foreign minister stressed the military government's contacts with the Multiparty Group which groups the political parties of that country, in this regard.

#### PERUVIAN, VENEZUELAN MINISTERS ON MILITARY AID

PY070656 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0111 GMT 7 May 82

[Excerpts] Comodoro RivaCavia, 6 May (NA) -- Two senior government officials of Peru and Venezuela voiced assurances here today that those two nations are willing to provide military aid to Argentina in case a request is extended within the framework of the Inter-American Reciprocal Assistance Treaty (TIAR). These remarks were made by Minister Fernando Chavez Belaunde of Peru, and Minister Vinicius Carrera Arismendi of Venezuela, both of their transport and communications ministries, who visited this city at the special invitation of the Argentine Government.

Asked whether Peru would provide military support to Argentina, Chavez Belaunde stated that "if the case arises, Peru will do so." In answer to the same question, his Venezuelan counterpart stated that military aid by his country "will depend on the requirements of the Argentine nation, and this will be limited of course to the possibilities my government has in that field."

#### ARRESTED BRITISH JOURNALISTS BEING TRIED AS SPIES

PY120033 Buenos Aires LATIN in Spanish 2257 GMT 11 May 82

[Text] United Nations, 11 May (LATIN-REUTER) -- Argentina informed the UN secretary general today that the three British journalists arrested last month and charged with espionage are being tried and that their rights are being respected. A UN spokesman stated that Secretary General Perez de Cuellar was also informed that Foreign Minister Nicanor Costa Mendez is following the case.

The spokesman stated that this information was released by Enrique Ros, Argentine deputy foreign minister, with whom Perez de Cuellar discussed the subject Saturday and yesterday.

The journalists are Simon Winchester of THE SUNDAY TIMES and Tony Prime and Ian Mather of THE OBSERVER.

#### NAVY BELIEVES BRITISH LANDING 'UNLIKELY'

PY120405 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0310 GMT 12 May 82

[Text] Buenos Aires, 11 May (NA) -- A senior navy source noted tonight that it is "unlikely" that the British fleet will try to carry out a large-scale landing on the Malvinas because of its lack of amphibious capacity. He also considered improbable a British action such as the one reported today by the British Government, which announced that a British frigate attacked and sunk an Argentine oil tanker in the San Carlos Strait. The strait separates the two larger islands of the archipelago.

He noted that "Argentine ships move in accordance with an overall strategy combined with the [word indistinct] land forces, trying always to be under the protective shield of airplanes." He added that the "British ships run the great risk of being attacked by our air force, which has already shown their effectiveness with the sinking of the Sheffield." The source added that "it is also very unlikely that Argentine ships will navigate without any protection and let themselves be open targets for the British."

"In view of all this," he stressed, "it is highly unlikely that a confrontation between two ships took place early this morning." However, he admitted the possibility that "blind harassment attacks" could have taken place."

Regarding the "softening-up fire" in the last few days by British ships, he said this was "unproductive" since if this is to be effective it must last many hours so as to tire and demoralize the troops. He explained that the "British ships have one or two guns, and that therefore they will need 19 ships to match the firepower of a cruiser like the General Belgrano, for example."

He noted that "it is impossible for the British to attack ground positions with missiles since their missiles are equipped to destroy ships or planes and therefore may be ineffective on the ground." In this regard he noted that these missiles are programmed to "follow" metal, radio waves or heat and that therefore they would be completely ineffective for "softening up attacks."

The source noted that "the two shortcomings of the British fleet, which is powerful at sea, are that it has little air support and that it has almost no power to bombard the coast."

He added: "Another shortcoming is the lack of amphibious capacity. Therefore if they attempt a large-scale landing, the British would be risking hundreds of lives." According to reports in the hands of senior Argentine Navy officers, the British fleet has only two ships equipped for amphibious landings.

The other alternative the British forces have is to try to land marines with helicopters from the ship. In this regard the naval source made the following estimate: According to the information available, the fleet has approximately 50 helicopters, each of which can carry 14 marines equipped for establishing a beachhead. The source added that this would result in approximately 700 men trying "to set foot" on the Malvinas, "which would turn into a real massacre." He remarked that "Argentina has all means to repel those attempts, which by the way have already been made, and it is almost impossible to think that the British will be willing to throw away nearly 700 men on a mission bound to fail."

Among the above means, he added, are the Pucara and Dagger planes, which will be deployed to prevent any British attempt to establish a beachhead. According to what the navy source told NOTICIAS ARGENTINAS, the U.S. Navy has the world's most advanced amphibious capacity, based on experience gained in the Pacific during World War II. Britain's only experience was in the Normandy landing, which, according to strategists all over the world, was not an amphibious operation but a "shore-to-shore landing."

#### Report on 10 May Attacks

PY120127 Buenos Aires Domestic Service in Spanish 0112 GMT 12 May 82

[Joint Staff Communique No 40]

[Text] The Joint Staff reports that the following military actions have occurred in the Malvinas zone:

On 10 May between 2020 and 2049 two British ships perpetrated harassing attacks against the Puerto Argentino area.

The Argentine forces repelled the attack.

Nothing new has occurred since that attack. There were no casualties or damage as a result of the attack.

#### HERMES SAID DISABLED, UNDER TOW FOR CURACAO

PA111326 Madrid EFE in Spanish 1203 GMT 11 May 82

[Text] Buenos Aires (EFE) -- According to reports from Argentina, the British aircraft carrier Hermes is having trouble operating. The reports circulated insistently at dawn today on the second floor of the Sheraton Hotel here, where the press office of the Joint Staff operates.

Military experts view as "quite probable" rumors about extremely serious damage to the vessel. It is asserted that the ship's elevator is not operating, her rudder is destroyed and her flight deck is inoperable, and thus it has been impossible to fly off the carrier's fleet of Harrier planes.

It has been reported here that the Hermes is listing 52 degrees [as received] -- that is, she is leaning close to the water level -- and that she is now being towed toward Curacao by two Norwegian tugs under British flags. The Hermes reportedly suffered the damage during the hostilities of 1 and 4 May.

UNIVERSITY RECTOR RESIGNS, STRIKES CONTINUE

PY111644 [Editorial Report] La Paz Cadena Panamericana in Spanish at 1130 GMT 11 May 1982 in its regular morning newscast carries a report on the resignation of San Andres University Rector Dr (Vidal Potele). Several deans from various Bolivian universities have also resigned, says the radio.

Cadena Panamericana goes on to report that professionals, technicians and engineers who work for the Mining Corporation of Bolivia (COMIBOL) have stated that they have resumed an indefinite strike because there was no favorable reaction by the government or COMIBOL regarding the salary increase they are demanding. Engineer (Wilfredo Salinas) stated: The strike will continue until the government proposals to solve the problems are learned.

The radio also reports that the departmental federation of Potosi Mining Cooperatives has sent a note to Cadena Panamericana expressing their strong protest over the strike employees of this organization are staging because it has been orchestrated by the Mining Bank of Bolivia, which has not been able to resolve a salary problem affecting this sector, thus urging the workers to adopt this measure.

The departmental federation of La Paz factory workers has expressed its solidarity with the indefinite hunger strike decreed by workers of the military factory [as heard] of leather products and byproducts, the radio says. The workers are calling for an urgent solution to their demands from the Labor Ministry. The hunger strike was adopted as a consequence of the dismissal of 64 workers due to a lack of plastic material.

According to the radio, the employees of the Mining Bank of Bolivia have not yet received an answer from the officials regarding their demands for better salaries, respect for the bank career and the establishment of an administrative council to study the disbursement of dollars in favor of some commercial firms. A representative of the employees committee said at the end of the first part of the 48-hour strike decreed by the workers of the bank: We have reported to our coworkers of the central office and those of the interior as well that this coercive measure is being carried out as decreed by the workers regarding those three points. Over the past few days, we have exhausted all possible efforts with the appropriate officials. Unfortunately, we have not reached any solution because executives of the bank and of the Mining Ministry fail to comprehend the problems and are insensitive to them.

The radio also states that the national grassroots committee of the national highways services and the federation of professionals in this sector has released a communique in which they report their decision to begin an indefinite strike in protest over the lack of an answer to their demands for better salaries presented previously. Part of the communique reads as follows: The economic rationalization proposals presented to the transport and Communications Ministry officials have not yet received a favorable answer with regard to the latest alternative presented, and thus, the just salary aspirations of the highway workers' families are once again postponed.

Cadena Panamericana also points out that health workers have received a communique from the Public Health and Social Security Foreign Relations Department regarding the problems they are having in this sector. In a communique released during the past few hours the rank and file committee states: 1. Negotiations to find a solution to the salary problem of the health workers in Bolivia are being carried out between ministry officials and the workers negotiating committee; these negotiations will continue today; 2. In answer to a communique from the health ministry (?requesting the suspension) of the indefinite strike without reaching a definite agreement, we hereby inform all workers throughout the country that the strike continues without any solution. It concludes that the workers must respect with discipline the instructions given by the strike committee, because it is the only source of official information.

DAILY ON PRESIDENT FIGUEIREDO'S VISIT TO U.S.

PY120740 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 May 82 p 4

[Editorial: "Figueiredo in Washington"]

[Excerpts] President Joao Figueiredo's visit to the United States comes at a delicate moment in relations between the two countries due to the Malvinas crisis. The U.S. support for Great Britain in its dispute with Argentina over the occupation of the islands was a last blow to the doctrine of Latin America's automatic alignment with the United States.

There is an understandable concern in Itamaraty circles as to the future of the inter-American since Washington turned its back on the OAS. It is unavoidable that such concern should also involve the future of relations between Brasilia and Washington.

Planned before the Anglo-Argentine crisis broke out, the Brazilian president's trip will hardly result in definitive answers to such concerns, although it may reveal trends. After a 5-day truce, the war flared up in the South Atlantic again last Sunday. As long as the conflict does not reach a solution, whether diplomatic -- as would be desirable -- or military, it will be difficult to evaluate all its consequences. On the complicated chessboard of international politics, the dispute over the possession of a few islands is in itself of little importance; but the question has multiple ramifications, ranging from the strength of the Western alliance in Europe, the conflagration in Central America and the strategic control of Antarctica to the relations among countries of the southern cone. All these factors, for which the evolution of the South Atlantic crisis has implications, will continue to have an influence on efforts to obtain accommodations afterwards.

At any rate, Itamaraty judged that going ahead with the visit would create fewer complications than suspending it in view of the latest events. President Figueiredo decided to heed Itamaraty's reasons and, in principle, such reasons should be given credit by public opinion.

## Visit 'Urgent'

PY120732 Rio de Janeiro LATIN AMERICA DAILY POST in English 11 May 82 p 4

[Editorial: "Added Significance"]

[Text] Although it has been planned for months, the trip this week by Brazilian President Joao Figueiredo to the United States takes on added significance and urgency because of the Falklands crisis. As the dispute between Argentina and Britain has degenerated into full scale warfare, the fact that Figueiredo will be the first South American president to hold direct talks with Ronald Reagan since the fighting began puts the nature of the trip into new perspective. Where previously Figueiredo's visit to Washington was to be something of a pro forma diplomatic mission, the South Atlantic crisis has turned it into a chance for Brazil to play a constructive role in saving the inter-American system, threatened to be torn asunder by the fast moving events.

Brazil is on friendly terms with the U.S., Great Britain and Argentina. Moreover, Brazil has been careful to keep open its lines of communication to London, Washington and Buenos Aires as the crisis has developed. The United States, having thrown in its lot with Britain, now must convince other major hemispheric nations -- starting with Brazil -- that it has not abandoned its hopes for an inter-American system of mutual economic and defensive goals.

Up until the moment, Brazil has played a mostly passive role in the Falklands/Malvinas dispute, urging a diplomatic solution to the problem. This week's scheduled meeting between Figueiredo and Reagan can serve to further the search for diplomatic means. The U.S. failed with the mission. Perhaps it is time for Brazil to emerge as the "honest broker" in the crisis.

The future of this continent has been altered since the sequence of events that began with the Argentine occupation of the Falklands on April 2. Brazil now has a chance to help shape the flow of events that are to come. There surely is no other South American country better placed geographically or diplomatically. And there certainly is no other South American country (excluding Argentina, of course) with so much at stake. These considerations argue for Brazil to begin taking a more active position in the crisis and the presidential visit to Washington is the perfect time to launch an initiative. The Brazilian Foreign Ministry surely has been considering such action. Up to the moment, it has acted with exemplary evenhandedness and has declined to take sides in any way that might prejudice Brazilian interests. Using the goodwill it thus has built up with all parties to this unwanted dispute, Brazil can be a useful partner in the peace process. It is worth thinking about.

#### OFFICERS SURPRISED ARGENTINA USING EXOCETS

PY120311 Rio de Janeiro O GLOBO in Portuguese 7 May 82 p 15

[Text] Brazilian officers yesterday admitted that they were surprised that Argentina already has Exocet missiles fitted on their planes, for example on the Super Etendard that attacked the destroyer Sheffield. They also believe Britain was also taken by surprise, probably due to a fault in its intelligence service.

According to the Brazilian officers, the Exocet is one of the most sophisticated weapons and with the greatest destructive power, as much in its version for ships as that for planes. In their opinion, the use of the missiles changes the entire strategy in the South Atlantic, forcing Britain to take special precautions in any attempt to land in the Malvinas.

The officers believe that should the report that the Super Etendard carried only one missile and an extra fuel tank on the other wing be confirmed, the objective of the Argentine Army would be to increase the plane's flexibility by using it from ground bases. This is because the carrier 25 de Mayo is small and thus limits the capacity to use aircraft such as the French fighter.

#### Woodward Thought Casualty

PY120029 Buenos Aires TELAM in Spanish 2350 GMT 11 May 82

[Text] Rio de Janeiro, 11 May (TELAM) -- The Brazilian press started today to speculate about the whereabouts of Adm John Sandy Woodward, commander of the British task force in the South Atlantic. A commentary broadcast today by Radio Tupi reports a statement by a Brazilian admiral, who asked not be identified, expressing "surprise that memoranda issued by the British Defense Ministry in the past 10 days were not signed by Admiral Woodward."

The Brazilian officer noted that "it is a practice in the UK Navy that all reports issued from the theater of operations be signed by its commander. Therefore I am surprised his name does not appear on the latest reports issued by London." He added that "the absence of Admiral Woodward's name on official communiques could justify the rumors that he has been either killed or wounded in the attacks by Argentine planes against the aircraft carrier Hermes.

The officer stated: "If I were a journalist and if I were in London I would ask the British Defense Ministry spokesman who is signing the war reports from the theater of operations. He would then be forced to explain and thus clear up the issue. I believe it is strange that Admiral Woodward has dropped from sight in official British circles."

#### Hermes Not Heard

PY120021 Buenos Aires TELAM in Spanish 2357 GMT 11 May 82

[Text] Rio de Janeiro, 11 May (TELAM) -- The carrier Hermes, flagship of the British fleet, allegedly damaged and sailing toward Curacao in the Netherlands Antilles, has not been detected by the Brazilian Navy. The radio listening station at the port of Rio de Janeiro stated that since it was learned that the Hermes was on its way to the Netherlands Antilles, a radio search of Brazilian territorial waters was started without results.

The radio operator attributed the lack of contact to "logical precaution's by the Hermes, which is trying to avoid being located." He explained that the Hermes "must be sailing without making use of its communications system."

The report, which was published by the Brazilian media stated that the Hermes should arrive tomorrow night in Curacao for repairs from damage suffered in the Malvinas war. A Brazilian Navy source said "this is logical because Asencion Island, the natural base of the British fleet, does not have a drydock. This precludes repair of serious damage."

The source added that "Curacao has a large drydock, which is why it was decided to make the long trip from the South Atlantic to the Antilles. This would also indicate that the damage is not superficial, that it is to the hull of the ship, in which case Hermes is out of combat."

#### METALLURGICAL WORKERS BEGIN STRIKE AT AUTO PLANTS

PY111509 Paris AFP in Spanish 1414 GMT 11 May 82

[Text] Sao Paulo, 11 May (AFP) -- The strike unleashed yesterday by 36,000 automobile industry workers in Sao Bernardo do Campo, near Sao Paulo, for better wages, today paralyzed production at the Volkswagen, Ford, Saab, Scania, Mercedes Benz and Rolls Royce plants. The workers protested the Superior Labor Court (TST) decision granting them a production bonus of 4 percent instead of the 7 percent demanded by the unions.

During a meeting at the Volkswagen plant, Jair Meneguelli, president of the Metallurgical Workers Union, called for continuation of the strike. Business leaders have indicated that they are in no way willing to negotiate. The management sector said this is a political movement aimed at getting the feel of the rank and file, particularly the rank and file of the Workers Party (PT). Management said the TST decision cannot be questioned.

Labor Minister Murillo Macedo said the strike is totally illegal but that no measures are planned for the time being. He added: I hope good sense will prevail and the workers will return to work.

#### BRIEFS

AMBASSADOR TO TOGO -- President Figueiredo has designated Sergio de Champerbaud Weguelin Vieira new ambassador to the Republic of Togo. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 May 82 PY]

FOREIGN MINISTER DENIES GUYANA BORDER CLASH

PA111735 Caracas Radio Rumbos Network in Spanish 1540 GMT 11 May 82

[Excerpt] Foreign Minister Jose Alberto Zambrano Velasco a few moments ago denied at the presidential residence of La Casona that there has been any armed clash between Venezuelan and Guyanan soldiers in the border area, as the news agency AFP reported:

[Begin recording] [Zambrano] A Guyanan policy of internationalization of the problem has been in effect for some time, and this story is part of that [word indistinct]. There has been nothing like what has been reported.

[Question] Mr Foreign Minister, what is the objective of Guyana in this regard?

[Answer] The purpose is to internationalize the problem and make Venezuela appear an aggressor country, a power that wants to stop the development of a smaller country in the process of consolidating its independent life. [end recording]

DELEGATION REAFFIRMS SOLIDARITY WITH ARGENTINA

PA111738 Caracas Radio Rumbos Network in Spanish 1539 GMT 11 May 82

[Text] Buenos Aires -- The delegation headed by Gonzalo Garcia Bustillos has reaffirmed its solidarity with President Leopoldo Galtieri's regime and made a statement about the return of democracy to that country. The answers of the junta that Galtieri heads are being analyzed at La Casona [presidential palace]. Some observers maintain that there will soon be a new democratic government in Argentina.

Argentina To Buy Oil

PA112124 Buenos Aires LATIN in Spanish 2110 GMT 10 May 82

[Excerpt] Caracas, 10 May (LATIN-REUTER) -- Humberto Calderon Berti, Venezuelan minister of energy and mines, has announced here that Venezuela will sell oil to Argentina in "very small" amounts. According to a report in EL DIARIO DE CARACAS today, Calderon Berti said the sale will possibly be concluded this week within a "strictly commercial" framework.

The minister said there were "contacts between the Government Oil Deposits (YPF) of Argentina and the Venezuelan Petroleum Corporation (PDVSA), asking us to sell them a certain amount of oil. The request was processed through normal commercial channels and the Argentina request was granted." Calderon Berti refused to specify the quantity of oil involved. Sources close to the ministry say the quantity involved cannot be significant because Argentina is almost self-sufficient in oil.

POLICEMAN WOUNDED BY GUNFIRE DURING DISTURBANCE

PA112251 Caracas Radio Rumbos Network in Spanish 1540 GMT 11 May 82

[Text] Urgent. Here is a last-minute report: A metropolitan policeman has received a serious gunshot wound in the head. Joel Gonzalez Garcia, 31, sustained the wound during the demonstrations that broke out in the 23 January district. The outbreaks of violence began near the Manuel Palacios Fajardo school. Afterward a group of hooded individuals took up positions on rooftops and have been firing rifles and handguns at police. Gonzalez belonged to one of the squads that arrived to try to quell the disturbances.

LOPEZ PORTILLO WARNS GROUP ON FINANCIAL CRISIS

FL121210 Mexico City NOTIMEX in Spanish 0300 GMT 12 May 82

[Text] Mexico City, 11 May (NOTIMEX) -- President Jose Lopez Portillo warned here today that if Mexicans continue to buy [U.S.] dollars, they will bankrupt the country. At a meeting with the "20 Women" group, President Lopez Portillo also pointed out that Mexico is undergoing a financial crisis but not an economic one.

He asked for moderation and understanding, promising that "the mad demand for the dollar will only raise its price," and stressed that "the people must understand that what is really serious is that they will have a lesser country for their sons."

Lopez Portillo also asked that government spending "not be made the devil," saying that the cuts in government spending are aimed at resolving financial problems that cannot be resolved painlessly today.

The president acknowledged that the cut in the government budget will create unemployment. "It will hurt me," he said. "The greatest joy, the greatest satisfaction and the greatest happiness for me was to create more jobs during my administration. And now that we must reduce them it is painful, very painful," he said.

Lopez Portillo rejected the charge that Mexico's foreign policy was the cause of the country's economic situation. He said it would be "wonderful" to use the heroic justification that Mexico's problems are due to its having maintained its foreign policy. "That would be irresponsible," the president stressed, although he indicated that there are in fact a number of circumstances originating abroad which in themselves constitute external pressure, "but I cannot in any way confirm that they are political pressures brought about because of Mexico's foreign policy."

About himself, Lopez Portillo said: "I hope my image and name will not be destroyed, but if it would help the country I would take all blame."

CASTANEDA VIEWS U.S., NICARAGUA PEACE EFFORTS

FL121100 Mexico City NOTIMEX in Spanish 0150 GMT 12 May 82

[Text] Geneva, 11 May (NOTIMEX) -- Mexico's Foreign Secretary Jorge Castaneda reiterated here today that the Mexican Government will do everything possible to bring about dialogue and reconciliation between the United States and Nicaragua.

Castaneda, who is attending the meetings of the UN Commission on International Law, said Mexico will continue to seek a peaceful solution to the problems in Central America. The Mexican Government has tried to arrange for negotiations between the Ronald Reagan administration and the Nicaraguan government junta in order to resolve their dispute.

On another subject, the Mexican foreign secretary said he thought it improbable that Soviet Chairman Leonid Brezhnev would visit Nicaragua soon.

PRESIDENT ROYO'S MESSAGE TO UN SECRETARY GENERAL

PA120330 Panama City Televisora Nacional in Spanish 2300 GMT 11 May 82

[Text] President Aristides Royo has asked UN Secretary General Perez de Cuellar to step up his efforts, which are significant in preventing the further suffering of the Argentine people, who are being subjected to an unjust colonial war by an extracontinental power, which is an offense to all of Latin America.

In a message to Perez de Cuellar, Royo says that as a Latin American member of the UN Security Council and of the Nonaligned countries, Panama is deeply worried about the imminent increase in the United Kingdom's war efforts against Argentina as part of an obsolete policy of restoring British colonial dominion over the Malvinas Islands.

After noting the Panamanian Government's firm support for Perez de Cuellar's efforts for a peaceful solution to the conflict, President Royo stressed that the UN goal of decolonization should be realized in keeping with Argentina's sovereign rights and absolute respect for Argentine dignity and territorial integrity. Royo stressed that Panamanian and Latin American opinion holds that the British Government's pretense at a war zone reaching to 12 miles off the Argentine coast, is inadmissible, censurable and a gross offense to the inter-American security system.

According to the ASSOCIATED PRESS, in the note to the UN Secretary General, President Royo said it is also censurable that in the South Atlantic England does not show any respect for the Tlatelolco treaty banning nuclear weapons in Latin America. Furthermore, Britain proceeds to use inhumane explosive weapons prohibited by the Geneva conventions and takes the extreme measure of attacking and sinking Argentine fishing boats.

President Royo added that the Panamanian Government in response to the Latin American people, expresses its strongest protest at the continuation of hostilities and the imminent increase in the British naval aggression against Argentina in the South Atlantic.

ROYO COMMENTS ON MEETING WITH CHIEFS OF STATE

PA101601 Panama City Televisora Nacional in Spanish 2135 GMT 9 May 82

[Interview with President Aristides Royo at the Tocumen Airport on his return from Costa Rica -- recorded]

[Excerpts] [Question] Mr President, could you tell what impressions you formed during your stay in Costa Rica and what you think that country's future may hold?

[Answer] I think the visit was interesting, because we had the opportunity to talk with various people: Opposition leader Calderon Fournier, former Costa Rican President Oduber, the foreign minister of Spain and the chiefs of state, with whom we met for 4 hours yesterday.

[Question] If protocol permits, could you tell us the subject of that meeting with your colleagues, President Turbay, President Herrera Campins and I imagine also with Prime Minister Price?

[Answer] Yes. The representative of the junta of the government of National Reconstruction of Nicaragua was also present, as well as the personal representative of President Suazo, who had to leave a few hours before the meeting ended. The subject of the meeting basically was peace in Central America. We also wanted to reach some agreement on reduction of the arms buildup. In addition, we exchanged ideas on the creation of a good offices group that could try to hold high-level consultative meetings as well as meetings at other levels.

The subject of vigilance along the border between Honduras and Nicaragua was broached, but no agreement was reached because a number of specific issues must be discussed before an agreement of this kind can be reached. However, in principle, both Honduras and Nicaragua are concerned about establishing vigilance of this kind.

[Question] Mr President, what has been the result of all the concern shown by the Republic of Panama, and particularly by Venezuela regarding the Malvinas issue, which has become more acute in the past few hours?

[Answer] Well, I would say that I hope Mr Perez de Cuellar's mediation will be successful. Yesterday the chiefs of state limited themselves to expressing support for Perez de Cuellar and to stating that the path of negotiations is the most advisable. However, the issue will depend to a great extent on the good sense, shown by Great Britain in particular, because it has a cordon around Argentina and it is giving the world the impression that it will retake the islands before turning to mediation and a peace offer. I am presuming here, but the news I read leads me to presume this.

GROUP SAYS U.S. USING CANAL BASES TO SUPPORT UK

PA101735 Panama City CRITICA in Spanish 10 May 82 p 36

[Text] The recently created "Panamanian Committee for Solidarity with the Argentine People" yesterday denounced the violation of the neutrality treaty by the United States and announced a protest march to the Foreign Ministry to take place at 1000 today.

The committee maintains that the United States is using the military bases in the Canal area as sites for logistical support and for the shipment of troops to the area of conflict.

In its first communique, the committee states that the U.S. use of the bases in the Canal area "places us in the position of a belligerent party" in the conflict between Great Britain and Argentina for possession of the Malvinas Islands. This situation, the communique adds, endangers our national security by making us a military target without the consent of the Panamanian people.

In reviewing the situation being faced by the Argentine nation, the committee cites General Torrijos, who said Panama "understands very well the struggle of peoples who are enduring the humiliation of colonialism..."

The communique adds that "Argentina will feel today, when it faces British colonialism and U.S. treason, the supportive warmth of all the men and women in our fatherland, who refuse to be subjected to the exploitation of colonialists and imperialists." The communique expresses support for the national government because of what it describes as its "virile, Torrijist conduct in denouncing the colonialist pillage," and urges the government to denounce the violation of the neutrality treaty by the United States.

The members of the committee invite all civic, political, social, religious, artistic, professional and labor organizations to join it in supporting the Argentine people's struggle.

Visits Ministry

PA110351 Panama City Circuito RPC Television in Spanish 2300 GMT 10 May 82

[Report by Rene Hernandez]

[Text] Representatives of the Committee of Solidarity with the Argentine People, jointly with delegations from various Panama City schools, visited the Foreign Ministry this morning to explain their views regarding the Malvinas. The group, headed by Jose Didimo Escobar, secretary of the Federation of Panamanian Students, said they fully agree with the Panamanian Government's position. Chanting slogans, the members of this solidarity committee condemned President Ronald Reagan's policy on this conflict.

Escobar alerted the Panamanian Government regarding the Torrijos-Carter treaties and demanded an immediate answer from Foreign Minister Jorge Illueca on the reason for the expeditious passage that was given to two British auxiliary warships. Just as the United States violated the Inter-American Reciprocal Assistance Treaty and the Canal treaties, we wouldn't be surprised if at the end of this century we receive a great surprise concerning Panamanian sovereignty, Escobar emphasized.

Foreign Minister Illueca spoke, reaffirming Panama's support for the Argentine cause. In referring to the violation of the neutrality treaty, Illueca said: [Begin recording] We used the best way: Through an official note we demanded an explanation from the U.S. Government. In this note, Panama says that it demands respect for the neutrality pact and that no priority treatment be given to any country. Panama also demanded that it be given an explanation as to why the two British ships were granted expeditious passage in a way not authorized in the treaty. This has been a first step and it is a warning [campanada]. We feel that the only two countries -- and this because of a condition virtually imposed by the United States -- that can have so-called expeditious passage for their warships through the canal are the United States and Panama, but we don't have any warships. No other country can have this passage. [end recording]

Illueca received a resolution in support of Argentina from one of the leaders of the comptroller's office. In view of this gesture, Illueca stressed that it is wonderful to see how concerned the Panamanian people are about the problems of brother countries.

#### 4 IN CANAL AREA WARNED ON ILLEGAL ACTIVITIES

PA082153 Panama City LA REPUBLICA in Spanish 7 May 82 pp 1, 10

[Report by Damarys Munoz]

[Text] Tomas Paredes, executive director of the Panama Treaty Affairs Directorate, announced this morning that the authorities have warned "Zonians" Fred Cotton, Michael Gordon, Raymond Laverty and Richard Morgan that they may be detained if they insist on having the liaison office perform functions that fall within the exclusive purview of the Republic of Panama. Paredes added, however, that these individuals have answered that under the terms of the Torrijos-Carter treaties, they enjoy immunity. They also claim that whatever the authorities say has no validity and that their concern is to protect the welfare of Americans in the Canal area.

According to our source, the measures taken against these individuals include not allowing them into the courtrooms or places where justice is administered; not allowing them into the transit areas [areas de transito] and prohibiting their participation in any type of investigation. "Through the Government and Justice Ministry, the National Department of Investigation and so forth, the executive branch has already issued instructions as to what line is to be followed, since these individuals' action violates our sovereignty and tramples one of the treaty's biggest conquests: full jurisdiction over the national territory," Paredes stressed.

COSTA RICAPRESIDENT MONGE GIVES INAUGURAL ADDRESS

PA091643 San Jose Domestic Service in Spanish 1801 GMT 8 May 82

[Inaugural address delivered by Costa Rican President Luis Alberto Monge Alvarez following his swearing-in ceremony in the provisional meeting room of the Legislative Assembly at the National Stadium in San Jose -- live]

[Text] Mr President and deputies of the Legislative Assembly; Messrs chief justice and magistrates of the Supreme Court of Justice; Messrs president and magistrates of the Supreme Elections Tribunal; Your Excellencies, the presidents, chiefs of state and heads of government of friendly countries; the Costa Rican people will be eternally grateful to you for accompanying us in a ceremony of such great significance to our fatherland. Messrs former presidents of the republic, we send from here a message of good will to former President Jose Figueres, who was hospitalized last night. Your Excellencies, the chiefs and other members of special missions; Messrs representatives of international organizations; Your Most Excellent and Reverent Messrs archbishop and bishop of Costa Rica; Messrs comptroller and deputy comptroller general of the republic; Messrs members of the honorable consular corps; Messrs special friends and guests; compatriots:

This solemn ceremony that we celebrate on such a splendid stage every 4 years is for Costa Ricans a stellar moment in their history, because it is here that we express the richness and the vigor of our democratic life. It is the affirmation of the most prominent characteristics of our nationality. It is a message of hope that, with respect and humility, we are pleased to share with other peoples of the world with whom we feel a sense of kinship in the search for their destinies of freedom and justice.

This August assembly, in which all the social sectors of our nation are represented, and which today is exalted by the presence of such distinguished representatives of fraternal countries and of so many and such noble friends, marks the end of one period in our national life and the beginning of another.

At this moment, the serene court of national conscience opens to pass judgment on the period that is ending and on its actors, either to reward them for their merits or to sanction them for their errors. We do not begrudge its protagonists the quota of gratitude and even applause that they have earned for having promoted the progress of our fatherland to some degree. To our [words indistinct] group of citizens now have the responsibility of leading the people [words indistinct] in another step toward a society that will preserve and strengthen political democracy and rapidly develop the social, economic and cultural aspects of that democracy.

We realize that from this moment on, we too will be facing the severe tribunal of daily vigilance by the people over our actions and that we will be subject, without appeal, to the judgment of the eternal ethical values on which our nation is based.

We assume our responsibilities without conceit or messianic attitudes. We can only do what the Costa Ricans want done and what they help us to do. We conceive the exercise of power as a relationship of mutual responsibilities between the rulers and the governed, as a commitment of solidarity between one and the other for the common good. We will never (?view it) as the frivolous enjoyment of power or as an exercise in self-importance. [applause]

Political power to us, is rather a heavy cross, weighted down with responsibility. We will devote the best of our efforts, of our will and of our minds to carrying out the tasks of government with the conviction that to govern is to serve and not to be served; [applause] that to govern is to serve selflessly, day after day, a people who are seeking through their own initiative and arduous work, material and spiritual improvement.

We are going to complete this period with the governors and the governed marching together with a harmonious balance between the duties, rights and functions of one and the other. As a formal promise, I have made four pledges to the people that I solemnly proclaim today, as the first action of my government, in order that they may serve as basic axioms to guide the entire administrative effort and determine its priorities.

I now reaffirm my commitment to production, because there is no peace without food.

I reaffirm my commitment to social justice, because there is no tranquillity or security with misery.

I reaffirm my commitment to democracy, because there is no progress without freedom. [applause]

I reaffirm my commitment to ethical values in public administration, because there is no confidence or (?morality) on the part of the people without the good example of their rulers. [applause]

The nature of these commitments is such and they are so closely interrelated that if one of them fails, none of the others could be maintained. In fact, it is impossible to meet the exigencies of social justice (?through) distribution programs to end poverty, without first engaging in a gigantic productive effort to create abundant goods to meet the needs of all. [applause]

Otherwise, one only manages to distribute poverty or sow demagoguery. The struggle against abject poverty is initiated and won in the field of production, enlightened by a profound sense of social justice and human solidarity.

I warn my compatriots against the demagogic schemes of those who irresponsibly seek to build up the peoples' hopes with promises and demands for social justice -- at times based on violences -- that are beyond the country's productive capacity and might even cancel out that capacity. Let us place ourselves under the banner of human solidarity alongside the less favored economic groups. In this manner, we will be able to provide solid foundations for democracy and freedom. In this manner, we will remove the excuses of those who, under the pretext of achieving social justice, seek to end freedom without ever eliminating destitution. [applause]

These noble aspirations of production with justice and freedom can only be achieved if we rulers firmly adhere to ethical and moral values in carrying out our functions. Only by means of flawless moral conduct will we rulers be able to demand the necessary sacrifices of the people and launch the great struggle of production in the fields and factories. Only by irreproachable conduct in public affairs will we be able to create a general climate of honesty that will permeate all areas of society, including the economic activities of private enterprise and establish, as inflexible norms of human conduct, the cults of truth and sincerity, respect for the rights of others, the spirit of duty and discipline and the honest administration of public and private property. [applause]

This moral climate is indispensable for all of us to face together, with mutual confidence, the great tasks of production, social justice and defense of democracy.

Costa Rica enjoys great prestige among nations because of its brilliant political democracy. For the past four decades, this political democracy has been enriched by the benefits of social democracy. I pay tribute to those who began and who have maintained that effort. Now it is up to us to affirm those national values by developing another essential dimension of democracy; its economic dimension, the basis of which is effective access to property as a real opportunity that is open to all citizens.

I realize that some healthy initiatives have been promoted with that purpose in mind, but it will be up to us to bring them to a high degree of fruition by taking the necessary measures to strengthen the foundation of economic democracy. If the essential foundation of political democracy is free suffrage, the foundation of economic democracy must be property. When this becomes more universal -- either in individual forms adjusted to its social function, or in wisely organized associative forms -- we will then be able to speak of a property-owning people who are the masters of their political destiny and who are fully free. [applause]

To the extent that the producer, whether as a worker or as a businessman, sees opportunities for access to property open to him, we will be able to instill the mystique of work and promote the great crusade of national production. We will also have made an important start in halting the growing impoverishment of the lower and even the middle classes, creating for many people a reason to struggle and defend the democratic system in which we live.

We do not have plans for statism in the field of (?production). The lessons that we have learned from other parts of the world confirm our fears that extreme statism in the area of economic activity tends to lead to political totalitarianism that suppresses freedom and is incapable of stimulating sustained and satisfactory production processes. It is from this perspective of economic democracy and the promotion of productive property that the state will stimulate the great tasks of production, conferring them on private citizens, to be assumed as private enterprises or through efficient cooperative or associative plans.

I propose to work, allow others to work, and help others to work. The rest is up to Costa Ricans. [applause] The rest is up the Costa Ricans who love this country as I do. [applause]

Costa Rica is committed to agriculture and has great moral values as regards the land. Economic democracy will sink its roots into that land and will create a new modern, technological and rational version of what historians called the rural democracy of the beginnings of our nationality. We will return to the land to seek inspiration, to produce food and to find the Costa Rican who has a high spiritual vocation and a zealous love of freedom. [applause]

We do not think that this day, which is so full of hope, is an opportune time for us to refer to the lamentable conditions of our public finances or to the distressing economic and social conditions of the country, in which almost all indicators are negative. The people already have a clear idea of the general deterioration of our nation. It is also no secret to the enlightened governments represented here or to our friends from abroad who are visiting us here. We do not wish, at this time, to seek or point out those who are to blame for the many serious evils with which our country is afflicted. The country has already been informed of our goals and government policies. They are included in the 4-year plan called Let Us Return to the Land, and in the emergency plan. Tomorrow we will continue discussion of the plans' content within the dialogue that has already begun between the government of the republic and the [words indistinct] of our nation. The important thing at this time is to humbly seek the contribution of the good will, energy and hopes of our compatriots, so that they may help me to preserve peace and freedom in the struggle against abject poverty. [applause]

Dismayed by the somber vision of the state of the country, when the black clouds were already gathering on the horizon, I did my duty by pointing out to Costa Ricans that they were faced by an inescapable dilemma; either national consensus or chaos. Today, when the problems have been aggravated and the risks have become more acute, from the high position with which I have been invested, I insist with even more vehemence on the urgent need for all political groups, all pressure groups, all social sectors to immediately seek spheres of broad concurrence in order to establish a national consensus around our tricolor flag. [applause]

We cannot and should not think or act with sectarian or partisan criteria. It would be a crime of treason against the fatherland to follow a course of political conduct that, in the [word indistinct] hour, would be guided solely by concern over the garnering of more or less votes in the 1986 electoral contest.

I respectfully warn everyone; there is no possibility of saving peace and democracy for some and not for all Costa Ricans. [applause] If we save them, we will save them for all. Let no one, because of petty interests, imperil the desire for unity that prevails in the national spirit.

To my compatriots and to the illustrious foreign missions present here, I express my certainty that the children of this nation will not allow the nation to perish, because its soul is healthy, its spirit is free and its capacity for survival is unlimited. [applause]

An essential part of this national (?consensus) must be an alliance among the economic sectors in order to meet the aforementioned commitments. It is urgently necessary to establish a social pact that does not imply injustice for anyone, although it might possibly demand sacrifice from everyone. A policy of national sacrifice demands that no class be permitted to benefit at the expense of others, and that there be an equal imposition on everyone -- with the exception of favorable consideration for the most needy -- of the same degree of restrictions that are required to achieve the salvation of all. [applause]

Another indispensable element of the national consensus is the loyal cooperation of the worker with the businessman. We reject the tragic thesis, that in many cases is converted into a strategy of violence, of those who seek to exploit situations of crisis to cause conflicts between the rich and the poor and between workers and businessmen. All attempts to divide efforts and intentions will only result in a weakening of the nation's will and will make efforts to overcome the crisis and preserve democracy more burdensome, if not totally useless.

On the one hand, the workers must respond patriotically to the commitment to produce without sparing their energy, talent and initiative. On the other hand, the businessmen must perfect their mechanism for human and labor relations, giving sincere proof that they are not holding themselves aloof from the distressing problems and serious ills that worry the people who assist them in their enterprise.

In order to achieve the aspirations that we have been noting, and as an indispensable spiritual prerequisite, it is necessary to consolidate the full prevalence of three civic and human values among all Costa Ricans; love for the fatherland, love for work, and love of humankind.

Love for the fatherland means love for Costa Rica over and above partisan passions, discrepancies or ideological interests. It is equivalent to a revitalization of certain moral values that were the vital nerve of this nation's life in the past and should continue to be so in the present. It means to strive to strengthen our own culture in order to define our national goals. Finally, it demands a determination to be honest in public office, in private activity and in daily human relationships.

Love for humankind means solidarity among us Costa Ricans and with those who in good faith have pledged allegiance to our flag. However, this love for humankind should show certain preferences so that the measure of it will be the degree of our brothers' need. The more need, the more solidarity. This solidarity demands that we redistribute the burdens of the economic and social crisis that we are experiencing. We will not be able to move forward if the weight of this burden continues to fall, as it has fallen, inequitably and at times almost exclusively up to now, on the shoulders of the poorer and less favored sectors of the Costa Rican population. [applause]

This solidarity means to devote ourselves to the struggle against extreme poverty, spurred not so much by fear of the subversion that such poverty engenders, but by an authentic and sincere leaning toward the poor; that is, a genuine love for humankind, a love that grows according to the degree of his suffering.

Love for work means a work ethic, repudiation of idleness, a generous dedication to the service of our fellows. Love for work means that we are going to strictly fulfill the duties and tasks entrusted to each of us. The nation's energies are benumbed. Work is done, but only halfheartedly and as little as possible. Work is indeed done, but not with the courage or generosity demanded by our duty to use our natural resources to generate the wellbeing of all our compatriots.

Costa Ricans, let us revitalize these three loves and retrieve from wherever we misplaced them -- like a warm spirit rising from the land itself -- the work ethic, solidarity with our brothers and the healthy patriotism that comes from genuine love for our fatherland.

We are living in an era of interdependence of nations and of peoples. This interdependence has ambivalent aspects, according to the person's sentiments. Some applaud it as a beautiful reality of cooperation and (friendship) among peoples, of mutual cultural enrichment and encouraging exchange of the benefits of science and technology, of beneficial complementation among countries by means of trade. To these people, the world appears to have gotten smaller and humankind feels as much at home now in wide expanses as Medieval man felt within the narrow confines of his Gothic spires. Man is a citizen of the world and the kin of his antipodes.

To others, on the other hand, this phenomenon of the interdependence of nations is dreadful and inexorable. It is laden with risks and tensions, because the turbulent vibrations of any part of the world have repercussions in all its corners. They are terrified of being citizens of the world.

I choose the positive view of the interdependence of nations and peoples. On the one hand, I see it as an opportunity for a small nation like ours to contribute, if only to a small extent, to the benefit of many peoples and to the safeguarding of their freedom. On the other hand, I see it as a bridge of great benefits for the development of our small Costa Rica, thanks to the solidarity that should exist between poor and rich nations.

I do not believe I will discredit myself in the eyes of the world if I say that my country needs the dignified and generous aid of the more privileged nations to carry out the great task of making itself a model of democracy in this area, a model in which poverty has been eliminated and fear overcome. [applause]

Without detriment to our own nationhood and remaining true to our democratic standards of living and our inalienable rights such as freedom and justice, I reaffirm our solidarity with the peoples who are seeking, under a democratic system, an authentic and just political and economic liberation. However, we warn that we are always on guard to detect and denounce, whenever it may be in these great struggles, the presence of totalitarian, nonrepresentative forces who betray the true objective of the liberation of peoples to lead them, sooner rather than later, to the precipice of oppression. [applause]

Our participation in the interdependence of nations must be conditioned to certain basic principles: respect for the principle of nonintervention, rejection of intervention in any guise; respect for peoples' right to self-determination, the exercise of which cannot be undermined by imposed processes of prior indoctrination and political conditioning; participation in all efforts to ease tensions and strengthen the legal framework of peace; a clear definition of the pluralist relationships established by our nation, which will never mean approval of the political or ideological philosophy of (other) governments, or the authorization of other governments to use their ideological systems to threaten the survival of our democratic way of life; [applause] and the conviction that the processes of political and social liberation of peoples must be autonomous, indigenous and independent of imperialist manipulation of any persuasion, because those processes cease to be processes of liberation from the moment that they become subject to powers other than those stemming from the people's choice.

We are a country without an army and we hope that many other countries will imitate us. Our people are not willing to renounce their benefits which are derived from channeling the costs of an army into investments in education and health. We are prepared to remain impartially uninvolved in any military confrontation that, unfortunately for the peoples involved, should take place in our area. In order to protect this idealistic position, we will ask the OAS to study a formula, within the inter-American legal system, that will permit Costa Rica to enjoy the guarantees necessary to protect its sovereignty and territorial integrity in the event that any confrontation between other countries should threaten to spread across our borders. [applause]

We hope that those of bad faith will not interpret this position to mean that we are indifferent to a confrontation between despotism and democracy. Costa Rica has not been and will never be neutral when democracy is threatened by dictatorship or totalitarianism. Despite its small geographic area and population, our country has placed and will continue to place its moral (?conscience) on the side of those who are struggling for democracy. In tragic East-West confrontations, Costa Rica will always be on the side of democracy. [applause]

We will maintain and further strengthen the glorious tradition in defense of human rights, as inalienable rights that will guide the course of our foreign policy. Consequently, we will reject all despotism whatever its ideological persuasion and whatever its repressive methods.

With our hearts full of pleasure and gratitude toward the official missions and the governments and peoples that they represent, we reiterate our intention to have this small nation contribute to the peace and fraternity in the world because of its irrevocable determination to live in peace and freedom.

To our friends who are accompanying us in these acts of democratic faith and to political, labor and intellectual leaders, representatives of the world of finance, of banking and business in general, we express thanks for their support for our [words indistinct].

We hope the world will realize that in this small sector of America there are people who, over and above partisan concerns and a conflict of economic interests, are determined to prevent and to [word indistinct] to introduce into our fatherland any form of despotism and terrorism as well as any form of antidemocracy, of [word indistinct] or of anti-freedom of human being.

A nation's capacity for its own survival and constant improvement is weakened and may even [words indistinct] when there is an internal crisis of faith; faith in itself, faith in its destiny and faith in its people. Many voices have been raised in our country to denounce a state of morale that is dominated by pessimism, the result of a crisis of faith that has taken over the nation. There are even those who (?would like) to make us feel that we are a defeated people.

Fortunately, in opposition to those, there has been no death of (?people) of high moral stature who have tried to shake the nation's soul out of its lethargy. I join those voices and I urge Costa Ricans to revive their faith in their destiny and in their great potential.

We are seeing the signs of a new dawn of ardent desire and firm resolution to [word indistinct] again, to review the models of living and rescue national dignity. This means that we are seeing a dawn of faith. Let us strengthen our faith in humankind, in human beings who are destined to broadly manifest their free spirits. Let us strengthen our faith in Costa Ricans, who forged rural democracy in the 18th century, carried it into independence in the 19th century, and lead it into the economic and social development of the 20th century. Let us strengthen our faith in the future, in our destiny as a nation, in our great spiritual and material energy in order to march toward a future full of material progress, social justice and freedom.

With the feeling of a peasant who nourishes his spirit at the crystalline fountains of these people's religious fervor, and in memory of my Christian mother, I proclaim that the most powerful force for the aggrandizement of my fatherland is faith in God, the lord of nations and lord of history.

GOVERNMENT RETURNS HIJACKED PLANE TO NICARAGUA

PA111606 Paris AFP in Spanish 1530 GMT 11 May 82

[Excerpt] San Jose, 11 May (AFP) -- Official sources have reported that an airplane of the state-owned Nicaraguan airline, Aeronica, which was hijacked yesterday by two armed men and diverted to Costa Rica, returned today with its passengers to its place of origin.

Meanwhile, Francisco Lopez and Camilo Marti, the two hijackers, continue under arrest in the local command of Puerto Limon, on the Costa Rican Atlantic coast, while the authorities decide on their request for political asylum or their extradition as the Nicaraguan Government has requested.

FOREIGN MINISTER DISCUSSES HIJACKING CASE

PA112216 San Jose Radio Reloj in Spanish 1730 GMT 11 May 82

[Text] Costa Rican Foreign Minister Fernando Volio Jimenez has discussed the actions that the government will take in the case of the two hijackers of the C046 Aeronica plane. [Begin recording] I met with Justice Minister Carlos Jose Gutierrez to discuss what we will do now. We agreed that the public security minister and I will [words indistinct] made contact, to make pertinent decisions in accordance with local and international laws.

I have not yet received any request for political asylum here at the Foreign Ministry from the two persons who hijacked the plane, though this matter is the Foreign Ministry's concern. However, I did receive a note from the Nicaraguan Embassy at 1914 last night in which asks, on behalf of its government, that these men be arrested and detained, while the Nicaraguan Government sends a request for extradition through its Foreign Ministry. Of course, we must study this matter carefully, as we want neither to promote actions of this kind nor to violate these people's rights or our own laws.

Now that the passengers and crew members are safe, we have time to make decisions that reflect the need to preserve order and to prevent such actions. [end recording]

EL SALVADORDUARTE COMMENTS ON POLITICAL PRESENT, FUTURE

PA110413 Panama City Circuito RPC Television in Spanish 2300 GMT 10 May 82

[Exclusive interview with former Salvadoran President Jose Napoleon Duarte by Justo Fidel Palacios at Juan Santamaria International Airport in San Jose, Costa Rica; no date given -- recorded]

[Text] [Question] We are honored with the presence of Jose Napoleon Duarte, a distinguished Salvadoran politician and former president of El Salvador. In your political career, what was the meaning of this difficult period during which you headed the Salvadoran government?

[Answer] Well, I think that I can serve my country from any place I have to. At times I have worked very hard in exile, sometimes in the fields. I am now working for my country as a private citizen, and other times I had to serve as president of the republic for 2 very difficult years. However, I have always been willing to serve the Salvadoran people.

[Question] What stage you are about to begin now that term as president is over?

[Answer] I feel that now the most important thing for Antonio Morales Ehrlich and me is to return to the party, and from the party we will try to defend the social reforms we implemented and the democratic process, so that the Salvadoran people can have the liberty and justice we promised.

We will prepare ourselves for the next elections and we will be willing to fight so that violence will be ended in the country and a peaceful process sought.

[Question] Do you think that the new government endangers the social reforms implemented by the revolutionary government junta?

[Answer] I believe that at one time they tried to seize absolute power and by exercising power this way, they wanted to destroy all the reforms, but they failed in this attempt. Now a government of consensus has been formed. All parties are participating in this government. This weakens the position of the extreme right and also permits the reforms to prevail. Although it is true that there is the risk that these reforms could be weakened, there is no risk that they will be destroyed. For, this reason, we are in the government. We want to see these reforms maintained and advanced.

[Question] After the elections and the large voter turnout, don't you think the chance of a dialogue with the guerrilla forces was eliminated?

[Answer] No, I think the elections results were a vote against violence. One of the things which the extreme left or the guerrillas must understand is that they cannot continue to impose this violence because people reject it; therefore, the solutions in which the guerrillas abandon violence, put down their arms and seek to join the country's democratic process. In the elections the people responded that they want justice and liberty but not violence. So this is the message to the revolutionary leftwing; there is much to be done in our country. We must struggle for justice and they are important in this process, not with weapons in hand but with their minds set on serving the people.

[Question] And now what is your message for the Salvadoran rulers, from the fields as you say?

[Answer] I believe that one of the things I've learned is to respect the Salvadoran people. Therefore, my message to all the rulers is to always remember that they are not powerful by themselves. They are powerful only when they serve their people. To exercise power and public administration is to serve the people and not to serve themselves at the expense of the people. I ask them to recognize the sovereignty of the people to decide and make their great decisions. In this regard, for example, I have repeatedly told my friend Aristides Royo, in Panama, that it is important for the country to take the path of a democracy through free elections where the people are not restricted, because the people, with political parties, are able to decide their own destiny.

[Question] What is Jose Napoleon Duarte's political future?

[Answer] It is the same as before. For 20 years I have worked for the same goals; liberty and democracy for my people. This has not been accomplished yet. We have partially set the course of the process so I must now consolidate it, strengthen it and make it a reality.

#### EL MUNDO REPORTS INCREASE IN EMIGRATIONS

PA120401 San Salvador EL MUNDO in Spanish 7 May 82 p 6

[Editorial: "The Emigration Appears Again"]

[Excerpts] Those who have observed the long lines of people outside the general emigration directorate from early morning hours until the end of the business day, are sadly acknowledging that the emigration has increased in the country. Although emigration offices have been opened in the country's eastern and western sectors, hundreds of citizens come to the capital daily to begin processing their documents to leave the country legally.

Many believed that the trend to leave the country had dropped considerably and that the people, instead of leaving, were asking relatives, who are experiencing difficult situations abroad, to return to the country to continue studying or working here under the certainty that things had changed in the country. Unfortunately, reality seems to prove otherwise: Things remain almost the same. In the country's eastern region, specifically in Morazan Department, the people have been experiencing a very serious situation during the past few days. This same situation is now spreading to Usulután, according to some residents who are coming from that area.

It is being said that this is the main reason for an increase in the exodus. Violence is gaining momentum again and the towns are being scourged by a problem that we thought we had overcome.

In clandestine radio reports, the guerrillas are claiming daily victories and it is said that since the radio is being heard in eastern El Salvador, the people are logically leaving that area. Therefore, the youngsters are afraid to become involved in the growing conflict, and their parents support them in this. Consequently, they are trying to get their children out of the country through legal emigration channels.

Those who had planned to bring their relatives back to the country will not do so for the time being, because they believe that their relatives will be better off abroad, despite their difficulties, than here under a new wave of extremist actions.

#### ARMY LAUNCHES MILITARY OPERATION IN CHALATENANGO

PA120216 San Salvador DIARIO LATINO in Spanish 10 May 82 p 14

[Text] Military spokesmen reported this morning that a large military operation was launched in northern Chalatenango this weekend. At the same time, Salvadoran troops along the border with Honduras were reinforced. The spokesmen added that this military operation is being conducted because many guerrillas are retreating to Chalatenango from Morazan, where another 10-day military operation recently concluded, during which many guerrillas were dislodged.

The official spokesmen said that the guerrillas are fleeing from military search teams in Morazan. The guerrillas are moving along the northern part of Chalatenango, along the border with Honduras. They added that the army is involved in a large operation involving many troops from detachment No 1, with headquarters in Chalatenango, and other infantry brigade units.

The military spokesmen said that the extremists have already tried to enter Honduran territory on various occasions but they return when they detect the presence of Honduran troops. They noted that Honduran military troops drove out several terrorists yesterday, making the action of the Salvadoran army against these groups easier. Not many details were supplied about this clash but the spokesmen stressed that the extremists sustained several casualties because they were surprised by the armed forces.

In conclusion, it was learned that the operation will be in effect for several days until the guerrillas are cut off, and are kept out of the zones controlled by the armed forces.

#### CITIZENS REPORT GUERRILLAS REGROUP AFTER FLEEING

PA120230 San Salvador EL DIARIO DE HOY in Spanish 11 May 82 p 2

[Excerpts] Cattlemen, farmers and neighbors who live between Guazapa hill, Colonia las Flores in Apopa and Tonacatepeque have been complaining, saying that they expect the armed forces to take prompt action in those areas, because the terrorists are not letting them work.

The places which are affected the most are: Amatillo, Santa Barbara, (Hacienda Arrazola), Buenos Aires, (Los Chapines) hill, Santa Ines and other areas around Apopa, Guazapa hill and Tonacatepeque. Furthermore, some neighbors have seen trucks unloading provisions at Guazapa every night. It is suspected that many terrorists are regrouping and setting up large camps on that hill.

These neighbors added that every time the armed forces carry out operations in these areas, the terrorists flee. But when the army leaves, the terrorists return to rob and loot the houses. Many plots of lands in this sector have been abandoned because of this threat. Therefore, the residents feel that the armed forces must begin an operation as soon as possible, because the terrorists are regrouping, possibly to launch an attack in that region.

#### FOREIGN AID SEEN AS LONG-TERM DISADVANTAGE

PA110430 San Salvador EL DIARIO DE HOY in Spanish 10 May 82 p 13

[Editorial: "Foreign Aid Leads Us to Ruin"]

[Excerpts] At this moment, and as a result of the economic debacle due to the reforms, we need foreign loans to survive. But the loans that alleviate our problems in the short term, filling our need of exchange, also cause difficulties later because they promote projects or inefficient institutions that cannot generate wealth. The most unfortunate result of loans was that the country was forced to begin the ill-fated reforms that have destroyed a good part of our productive structure. As a result, we have become more dependent on aid to the point that the group of leftist representatives who control the U.S. Congress practically impose government projects on El Salvador with the help and the blessing of some local party groups.

Now, as we enter a stage that seems to be one of reconstruction and not dismantling, we must examine the problem of foreign aid and how the country can strengthen its economy so that we are less vulnerable to the temptations of the carrot or to the punishment of the garrote. Not only have the loans failed to contribute to the economic development but they have also fueled inflation and distorted the national economy. At the same time, they are used to hide government errors and bad policies because they cover the shortages in the public funds and in the balance of payments.

#### HAVANA REPORTS ARMY CASUALTIES AT HANDS OF FMLN

PA101937 Havana International Service in Spanish 1600 GMT 10 May 82

[Text] The guerrilla forces have inflicted over 12 casualties on the Salvadoran Army during actions in Chalatenango and Usulután departments, Radio Venceremos of the FMLN of El Salvador has reported. One such action was carried out outside Dulce Nombre de Maria canton in Chalatenango Department, where six soldiers died and four were wounded. Two insurgents were killed during the guerrilla attack. Radio Venceremos added that two soldiers, who were part of the reinforcements sent by the regime to the area, died in the explosion of a mine set by the rebels. The station added that the army sustained four other casualties in southern Usulután Department during the operation it is conducting there with artillery and air cover as well as with support from ships that shell the coastline.

#### RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

##### Cerro Garrobo Clash

PA080058 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 7 May 82

[Text] This is a report from the Francisco Sanchez Northeastern front; on 5 and 6 May, the FMLN forces attacked enemy's positions in Cerro Garrobo, between Yoloaquin and Delicias de Concepcion.

The attack which began at 0445 was carried out with RPG-2 grenades and rifles, to which the enemy responded 10 minutes later. The attack lasted some 45 minutes. Our forces withdrew without difficulty after causing 3 casualties to the enemy. Companero (Israel) was in charge of the operation. United to fight until final victory. Revolution or death, we will win.

#### Central Front Report

PA091901 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 9 May 82

[War bulletin issued by the Modesto Ramirez Central Front, Guazapa zone; no date given -- read by announcer]

[Text] On 7 May, FMLN forces carried out the Companero Alegria operation which consisted of controlling a stretch of the northern highway between kilometers 27 and 28 in order to ambush the enemy, barricade the road with vehicles, hold a meeting to report the progress of our liberation struggle and request economic cooperation from the civilian population; as well as to sabotage transportation activities and the electricity. These actions began at 0500 hours. The FMLN combatants demonstrated a great willingness for action.

This operation had the following results: We killed six individuals and wounded an unspecified number as the enemy tried to enter the controlled stretch of the road. These individuals were National Guardsmen.

Our forces blocked the highway with trucks, private vehicles and buses, three of which were set on fire. They gave reports and instructions to the people who expressed approval for the FMLN line. The people gave their economic contributions and we collected 1,055 colones. Companero (Ramon) headed this operation. United to fight until final victory! Revolution or death, we will win! [Signed] Commander (Jose Martinez)

#### Attack in Chalatenango

PA091915 (Clandestine) Radio Vencheremos in Spanish to El Salvador 0230 GMT 9 May 82

[War report issued by the Modesto Ramirez Central Front in Chalatenango; no date given -- read by announcer]

[Text] At 0400 on 6 May, FMLN forces of Chalatenango launched a fierce attack against the (Atonal) battalion camp of the dictatorship's army located on (El Candelero) hill, Dulce Nombre de Maria jurisdiction in northern Chalatenango Department. The guerrilla forces' attack lasted 2 hours and was intended to test the enemy's ability to send reinforcements from El Paraiso garrison to the troops stationed on top of (El Candelero) hill. This attack was also aimed at harassing enemy forces there.

We carried out this attack using small arms and artillery fire. Our forces used 60-millimeter mortar fire and 90-millimeter cannons thus testing the weapons that this northern [as heard] front recovered during previous operations.

The FMLN combatants engaged in fierce fighting with the dictatorship's elite troops 10 meters away from enemy trenches. We killed six and wounded four soldiers. We also inflicted other casualties on the troops of the 4th Brigade of El Paraiso who were trying to reach the site with reinforcements by using the Dulce Nombre de Maria road that goes to (El Candelero). We surprised the enemy column half way there with booby-trap mines that had been placed on the dirt road by a FMLN sapper squad. We inflicted new casualties on the dictatorship when these mines exploded. For our part, we deplore the heroic death of companeros (Jacobo) and (Miguel).

After our attack, the enemy fired mortars at the hills that surround (El Candelero) which is 1,500 meters above sea level and a strategic position for the enemy in the area.

## Commander's Remarks

PA100020 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 9 May 82

[Text] We are now establishing contact with the heroic Guazapa hill, where Commander (Ismael Gallardo) is. He is already in contact with Radio Venceremos:

[Question] Commander (Gallardo), we would like your opinion of what impact the new fascist government will have on the country.

[Begin relay] The fraudulence of the 28 March elections was proven because it allowed them to control the legislative assembly. Their coming to power implies the following:

The facts show that the military dictatorship again used the elections to deceive our people because it allowed the reactionary dictatorship and the fascist parties to return to power in order to control our country's economic, political and military life. As a result of the electoral farce, the military strategy of genocidal extermination promoted by D'Aubuisson and his gang has prevailed. This means that the U.S. coverup, using Duarte and the Christian Democratic Party [PDC], has failed. Therefore, Duarte and the PDC will be displaced, they will lose the formal power that they held until 28 March. In effect there has been a virtual coup d'etat which was legalized by the electoral farce and the PDC.

D'Aubuisson staged this coup with the support of the oligarchy which is reactionary, antihistoric and hostile to our people. We are sure that the fascist takeover details the U.S. plan to continue using Duarte and the PDC to justify their intervention and military aggression against our people. Now the fascists have unmasked themselves thus ridiculing the U.S. Government which had said that the elections would be a solution to the war in our country.

The U.S. Government is also naked before the eyes of the U.S. people who now see their government's deceit and realize that they are about to be committed to a genocidal war which the fascist leaders will unleash against the Salvadoran people. Now more than ever we are urging the people to join efforts to defeat the fascist parties headed by the Nationalist Republican Alliance and the National Conciliation Party, which want to repeat the German fascist history when millions of the world's patriots were murdered. However, they will find a wall built by the people and their vanguard, the FMLN, here. The FMLN will not permit D'Aubuisson and his murderers to succeed over the sovereign will of all Salvadorans.

The fascists reached power through fraud and the electoral farce; therefore, nobody will support their demagogic calls. We are sure that D'Aubuisson and the fascist parties will never enjoy the slightest popular support. The fascists shall not pass and their power takeover will consolidate the international recognition for the FMLN, further isolating the military dictatorship. Their takeover will also increase the distance between the U.S. people and the reactionary government of Ronald Reagan.

It will increase conflicts within the armed forces and the power structure. All of this will strengthen the Salvadoran people and their vanguard, the FMLN and the Revolutionary Democratic Front. They will accelerate the advent of the conditions that will allow our working people to seize power.

Heroic Salvadoran people: We are preparing to step up our war in all the corners of the country. We declare that the fascists' power takeover will only encourage, to a greater degree, our revolutionary war. Therefore, the time to generalize the popular insurrection in the country and the cities has come. This will clearly speed up the people's victory which entails the defeat of the eternal enemies of the people which are the fascists and the oligarchic group now in power. Over. [end relay]

MANAGUA REPORTS FMLN ACTIVITIES IN APRIL

PA080459 Managua Domestic Service in Spanish 1800 GMT 7 May 82

[Text] The clandestine Radio Farabundo Marti, FMLN radio station, today reported that between 6 and 30 April 450 casualties, including dead and wounded, were inflicted on the genocidal army. During that time, 17 towns were occupied, the army was ambushed 27 times and army bases were attacked 29 times. Also, there were 59 clashes with mobile units and the FMLN recovered 59 M-16 rifles, 12 G-3 rifles, 2 90-mm cannons, 8 M-79 grenade launchers and 2 machineguns.

GUATEMALAMILITARY JUNTA APPOINTS SUPREME COURT JUSTICES

PA110440 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 11 May 82

[Text] The Guatemalan military junta today appointed the justices of the Supreme Court of Justice. Chief justice is Ricardo Sagstume Vidaurre. The other members are: Ramiro Auyon Barneond, Cesar Augusto Villalta Perez, Jose Maria Moscoso Duarte, Tomas Baudillo Navarro Batres, Maria Luisa Beltranena Valladares de Padilla, Roberto Eduardo Rivera Alvarez, Oscar Najarro Ponce and Francisco Fonseca Venero. They will be sworn in tomorrow at the National Palace.

FORMER MINISTER NOTES NEW ROLE FOR GUEVARA

PA111520 Havana International Service in Spanish 0000 GMT 11 May 82

[Interview with Guillermo Toriello, former Guatemalan foreign minister and president of the Central American anti-imperialist tribunal, by (Pedro Martinez Piroz); place and date not given -- live or recorded]

[Text] [Question] You have said that everything continues the same in Guatemala. Does some recent event prove this?

[Answer] Yes. The most important event, reported in the well-known and responsible Mexican newspapers EXCELSIOR and UNO MAS UNO, is that a group of about 200 officers met with the current Guatemalan junta headed by Rios Montt and forced the junta to accept no less than Gen Anibal Guevara as its adviser. This is the result of pressure from the same oligarchic groups which want to change the bad international image that Guatemala had under the genocidal Benedicto and Fernando Lucas Garcia brothers, but who just want to impose the same system of violence and domination. The repression has continued unchanged. They have continued the murders. In Rabinal, Rio Negro, there was recently a large massacre of peasants by the army. The persecution continues.

They have not kept their promises. They said that they were going to release (?1,500) political prisoners but they have not done so. There was also talk of a concentration camp where hundreds of political prisoners were held. That concentration camp was never found because, as we have always said, in Guatemala there have never been political prisoners but political murder victims.

Therefore, the truth is that Anibal Guevara -- who won the elections through fraud, which was why the United States was forced to carry out the coup in Guatemala -- has now been called to be the adviser of those who staged the coup against him. This shows the lack of scruples and the lack of morals of the current Guatemalan leaders.

I would like to point out one thing: Some governments mistakenly thought that the arrival of this new junta of gorillas would lead to true democratic change. I think they are mistaken. Events are proving that this is a new system of oppression and exploitation of the people. That is why the National Revolutionary Unity of Guatemala -- which is made up of the four political-military organizations; Armed Peoples Revolutionary Organization, Poor Peoples Guerrilla Army, Rebel Armed Forces and the Guatemalan Labor Party-National Directorate Nucleus -- has issued a call to the people to irreversibly continue waging the revolutionary people's war. This is the only way for the people to achieve liberation, to exercise their right to self-determination and to establish a democratic, revolutionary and people's government.

#### GROUP CALLS FOR SIMULTANEOUS DEMONSTRATIONS

PA120425 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 May 82

[Text] (Emilio Arauz), president of the Guatemalan group Union for Guatemalan Recovery of Belize [URGE Belize] has delivered a note to the Argentine ambassador in Guatemala proposing simultaneous demonstrations throughout Latin America in support of the Argentine position in the Malvinas crisis.

[Begin recording] Well, the national committee of URGE Belize is pleased to deliver this document of solidarity to the great Argentine people, who are carrying out an important struggle on our continent. We decided to draft this document to call for a large demonstration which will be simultaneous with demonstrations in other Latin American countries. In any event, we will be awaiting your messages to the other countries for 6 June. [sentence as heard] [end recording]

#### HONDURAS

#### GOVERNMENT REJECTS NICARAGUAN PEACE PROPOSAL

PA110443 Panama City ACAN in Spanish 0120 GMT 11 May 82

[Text] Managua, 10 May (ACAN-EFE) -- The Honduran Government has rejected a seven-point Nicaraguan proposal seeking to better relations between the two bordering countries, a Managua Foreign Ministry source reported today. The seven points were proposed by Nicaraguan Foreign Minister Father Miguel d'Escoto to his Honduran counterpart, Edgardo Paz Barnica, at a meeting held between the two officials last 21 April in Tegucigalpa.

One of the points called for an immediate meeting between the army commanders of the two countries at which time they would discuss and implement the six remaining points.

During the foreign ministers meeting in the Honduran capital attended by Honduran Secretary of the Presidency Mario Flores Facuse, the government headed by Roberto Suazo Cordova voiced its willingness to hold the meeting of the army commanders of the two countries.

Nicaraguan Deputy Foreign Minister Victor Tinoco said here today that the Honduran note rejecting the seven-point proposal makes it understood that the Nicaraguan proposal will not be discussed "as long as the regional situation is not resolved."

#### FOREIGN MINISTER NOTES SUPPORT FOR PEACE PLAN

PA112213 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 11 May 82

[Excerpt] Foreign Minister Edgardo Paz Barnica has been asked by journalists what he thinks about his visit to Costa Rica on the occasion of the presidential inauguration of Luis Alberto Monge.

He said: [Begin recording] Heads of state, heads of government, who went to the change of government in Costa Rica exchanged points of view. Their meeting resulted in their approval of a joint declaration which they signed. This declaration has already been made public by the news media.

This joint declaration has several characteristics. I want to say that the Honduran Government recognizes the efforts of the heads of state who met in Costa Rica, and that the government is satisfied with the way in which they welcomed the Honduran proposal to internationalize peace in Central America.

The joint declaration includes a majority of the most important points of the peace proposal that the Honduran Government presented to the OAS Permanent Council on 23 March. We should note that these points include those noting that violence must be ended, and that the social and political problems which upset the Central American region must be resolved peacefully. This is stated in the joint declaration of the presidents. The governments, in this declaration, state their interest in seeing a military readjustment in Central America, so that the military strength of nations in the region are based on national defense needs, the requirements for maintaining public order and are in keeping with needs generally accepted in democracies and societies which are governed by law.

The declaration condemns the trafficking of arms, the trafficking of drugs as well as actions aimed at destabilizing governments of the region. The declaration also notes that there should be a continuous multilateral dialogue so that the Central American and Caribbean countries may search for and find appropriate solutions to common problems. [end recording]

Speaking on the same subject, Enrique Ortez Colindres, Honduras' ambassador to the United Nations, said: [Begin recording] I am very satisfied because there have been other proposals that have not had this much support. I think that the fact that six heads of state support the proposal and that a permanent consultative mechanism has been created to keep the proposal moving, shows that the movement is on its way and that Honduras is perfectly capable of making and improving such proposals that enjoy Latin American consensus. The same foreign minister who once said: We are alone, now could say: We are not alone. [end recording]

#### NICARAGUA

#### CORDOVA RIVAS DOUBTS U.S. DESIRE TO HOLD TALKS

PA110423 Managua Domestic Service in Spanish 1200 GMT 10 May 82

[Text] Rafael Cordova Rivas, member of the junta of the Government of National Reconstruction, stressed in San Jose, Costa Rica that our government is willing to hold a dialogue with Washington but under very precise and clear conditions. The Nicaraguan leader was interviewed a few minutes before leaving Costa Rica where he attended the inauguration of the Social Democratic President Luis Alberto Monge.

Cordova Rivas said that over the past few weeks the United States has tried to arrange negotiations between the two ambassadors exclusively. However, they were not held, Cordova Rivas said, because we are very clear in saying that there will not be any negotiations without the presence of a third country as a witness.

Cordova Rivas said: I remember when Thomas Enders, assistant secretary of state for inter-American affairs, went to Managua. In our country we spoke about one thing and then he left saying something else, Cordova added. The Nicaraguan leader said that the United States does not want to talk because, whenever there is a chance of dialogue, the United States raises objections.

'CONSTRUCTIVE' ANSWER GIVEN TO U.S. PROPOSAL

PA111944 Managua Domestic Service in Spanish 1200 GMT 11 May 82

[Text] In a meeting between Francisco Fiallos, Nicaragua's ambassador to Washington, and Stephen Bosworth, a high-ranking State Department official, Nicaragua gave a constructive answer to the eight basic premises for negotiation that were previously presented by the U.S. Government.

According to State Department spokesman Dean Fischer, the U.S. Government is carefully studying this Nicaraguan answer. AFP cites an unidentified Nicaraguan official as saying that Nicaragua's willingness to discuss the eight points presented by Washington, including the topic of the alleged link with Salvadoran revolutionaries, in no way means that the Sandinist revolution has accepted the false allegations made by the United States in this regard.

For his part, Dean Fischer said that his country has no objections to Nicaragua's demand that Mexico be the site of the talks and that the Mexican Government be present during the conversations. Meanwhile, Deputy Foreign Minister Victor Hugo Tinoco announced yesterday in Managua that the eight-point proposals for understanding presented by Foreign Minister Miguel d'Escoto to his Honduran counterpart, Edgardo Paz Barnica, last month have been rejected by Roberto Suazo Cordova's Government.

One point of the Nicaraguan proposal that had been accepted by the Honduran foreign minister called for an immediate meeting of the army commanders of the two Central American countries.

REVIEW OF INTER-AMERICAN SYSTEM CALLED FOR

PA112130 Managua Domestic Service in Spanish 1800 GMT 11 May 82

[Text] Rafael Cordova Rivas, member of the junta of the government of National Reconstruction, said that the presence of the United States at the OAS is an anomaly, because in every OAS action, contradictions arise between imperialist interests and the interests of Third World countries.

Cordova Rivas said that in supporting Great Britain in the Malvinas issue, the United States has demonstrated that the inter-American system must be reviewed. Furthermore Rivas said, Nicaragua supports Argentina in the Malvinas issue because our revolution is one of principles, and we are defenders of an anti-imperialist and anticolonialist policy. In conclusion, Cordova Rivas said that the Nicaraguan and Argentine foreign ministers are fighting, side by side, for the Latin American cause.

FINAL COMMUNIQUE ON USSR VISIT ANALYZED

PA111240 Managua Domestic Service in Spanish 0000 GMT 11 May 82

[Commentary: "The Nicaragua-USSR Declaration: Different Relations With Different Objectives"]

[Text] At the end of the official friendly visit to the USSR by the Nicaraguan state delegation headed by Daniel Ortega Saavedra, member of the FSLN Directorate and coordinator of the junta of the Government of National Reconstruction, a joint declaration issued by the two countries was widely publicized by international press agencies.

In the talks held in Moscow between the leader of our revolution and Leonid Brezhnev, CPSU secretary general, aspects of cooperation between the two countries in various fields were analyzed.

During the talks the two governments expressed satisfaction in developing Nicaraguan-Soviet relations based on equal rights, mutual respect, and satisfaction with the level of cooperation between the FSLN and CPSU, noting their desire to continue expanding and strengthening these relations.

The joint Nicaragua-Soviet declaration adds that during the talks the successful development of commercial, economic, scientific, technical and cultural relations between Nicaragua and the USSR were stressed. During the course of the visit by the Nicaraguan delegation an intergovernmental agreement was signed to develop economic and technical cooperation, as were protocols which will permit our country to obtain from the USSR equipment, machinery and cooperation in the development of hydroenergy, mining, agriculture, communications and other fields of Nicaragua's economy.

The declaration notes that the exchange of views held on international issues confirmed the similar views and affinity of positions of the two countries on the most important problems of the current international situation, which was termed complex and which gives rise to serious concern. The Soviet side, it was stated in the declaration, expressed its decided solidarity with the efforts of the heroic Nicaraguan people to achieve the proposed objectives, its understanding of the difficulties faced by Nicaragua, and its hope that they will be achieved. After noting that the cause which the peoples consider of serious concern to world peace is the aggressiveness of the forces of imperialism headed by the United States, the two parties resolutely demanded an end to the threats by that country against Nicaragua, Cuba and other Central American and Caribbean nations.

The joint Nicaragua-USSR declaration reflects the usefulness of friendly ties with the land of Lenin in strengthening our economy, reducing our economic and energy dependence, and promoting our mutually beneficial commercial relations. These ties have been strengthened with the visit of the Nicaraguan delegation to the USSR. The document notes the concern of the two governments for world peace, against the arms race, and for the definitive end of the remnants of colonialism and the total eradication of racism, Zionism, and apartheid.

In their talks the Soviet and Nicaraguan parties condemned the policy of economic sanctions, economic and commercial blockades, and other discriminatory measures which violate the normal bonds of cooperation between states.

This demonstrated once again that Nicaragua is not alone, because it has the friendship and solidarity, the energetic and real support, of nations as politically, economically and socially developed as the USSR which, contrary to the foreign policy of imperialism, extends its fraternal hand. The USSR strengthens its support of our cause without condition, treating us with respect and not meddling in our domestic affairs. The USSR welcomes the positive role of the nonaligned role which we Nicaraguans espouse. As the declaration states, Nicaraguans must resolve the destiny of their country in a climate devoid of foreign pressure and threats, based on relations of equality, mutual respect, noninterference and solidarity with national independence, social process and peace, such is the fruitful result of a visit to a friendly country.

#### MIGUEL D'ESCOTO COMMENTS ON VISIT TO USSR

PA111647 Managua BARRICADA in Spanish 7 May 82 p 12

[Exclusive for BARRICADA -- quotation marks as published]

[Text] Lev Platonov, correspondent of the NOVOSTI Press Agency, has interviewed Nicaraguan Foreign Minister Miguel d'Escoto aboard the IL-62 airplane taking the Nicaraguan delegation to Leningrad.

D'Escoto made the following remarks: "In truth this is not my first visit to the Soviet Union. I want to state that I am always very happy to come to this country which, I would say, is an example.

"I have said it in other occasions and now that we are returning to Leningrad I reiterate it. For the revolutionaries this is like a pilgrimage to a place that must really be considered a sacred place since it is where a revolution began. The objectives of that revolution were to create better living conditions for mankind, dignify human beings and give workers the importance that the capitalist countries never gave them. It is also an occasion of great happiness because we can always confirm the great advance of this wonderful people who encourage other peoples as well as Soviet solidarity in the current world and the tremendous struggle that the Soviet Union leads in favor of peace in the world.

"I would say that the cornerstone of the Soviet Union's foreign policy is precisely the search for peace," the Nicaraguan foreign minister said on expressing his views about Leonid Brezhnev's speech at the dinner in the Kremlin in honor of the high-ranking Nicaraguan delegation, he added:

"We feel greatly encouraged by having had the opportunity to share a moment with companero Brezhnev, a person whom we admire very much and whom all Nicaraguans love. His ideas and impressions in the bilateral negotiations were truly very pleasant to us."

Speaking about the Central American situation, Miguel d'Escoto said: I would say that Central America is currently "experiencing the labor pains" of a Central America that is about to be born to a truly free and independent life and that is about to recover its sovereignty which for such a long time has been suppressed primarily by a foreign power that wants to use Central America to promote its own interests. I am referring to the United States. Envious and trying to stop this process of history, even though it is so dangerous, the United States cannot stop it because, when people are decided, united and determined to be free, they can never be stopped.

"Nicaragua has already proven that regardless of how strong, no imperialism can stop it. I truly believe in a free and independent future for all Central America. Nicaragua has been the first but other countries are already in the same path."

#### GOVERNMENT STUDYING HONDURAN REPLY TO PROPOSAL

PA112226 Managua Domestic Service in Spanish 1800 GMT 11 May 82

[Excerpt] The Nicaraguan Government is studying the terms included in a note sent by the Honduran Government rejecting the Nicaraguan Government's seven-point proposal for improving relations between the two countries.

#### NO DELEGATION SENT TO ECONOMIC MINISTERS MEETING

PA071516 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 May 82

[Text] Nicaragua will not be present at a meeting of economic ministers of the Caribbean area, which will begin tomorrow on San Andres Island, territory unlawfully seized by Colombia. The Colombian Government promoted the San Andres meeting for the sole purpose of projecting Colombia's image toward the Caribbean through credits to finance foreign trade. The revolutionary government was invited to participate in this meeting.

CORDOVA RIVAS ADDRESS TO STATE COUNCIL 5 MAY

PA052149 Managua Domestic Service in Spanish 0109 GMT 5 May 82

[State of the nation address by junta member Rafael Cordova Rivas at the inauguration of the State Council's third legislative term at the Ruben Dario People's Theater in Managua -- live]

[Text] Companeros of the FSLN National Directorate: Companero President of the State Council; companeros of the Supreme Court of Justice; companero representatives of the Episcopal Conference; companero ministers of state and government agencies; delegates of political parties; members of the diplomatic corps, all fellow Sandinists:

Twelve months after the previous report given by the Junta of the Government of National Reconstruction on the government's activities, presented to the State Council at the inauguration of the second period of sessions, the Nicaraguan people continue to be faced with a difficult economic situation, this time compounded by the aggravation of military, political and economic aggression.

The Government of National Reconstruction has responded to this situation with a vigorous and successful foreign policy and with the accelerated preparation of the nation to stand up to all forms of aggression.

The government has also adopted economic measures to overcome the present difficulties and to establish the bases for the orderly and planned development of our economic potential. The economic and social emergency, in the first instance, and the national emergency, secondly, have been exactly the instruments needed for achieving aggression. Despite the difficulties, the revolutionary government maintains its determination to maintain a regime of mixed economic and political pluralism.

The emergency measures that have been adopted have had positive effects. After 2 years of economic retrogression in 1978 and 1979, the country has had 2 years of reactivation in 1980 and 1981, despite imperialist financial aggression, the drain of capital and the accelerated liquidation of inventory by some sectors; the decline of cattle herds, the decline in the prices of our main exports, the increased price of our imports, high international interest rates and other factors that also have a negative influence on the Nicaraguan economy.

In the context of those negative elements, the 8.7 percent increase in our GNP in 1981 is a victory for the Nicaraguan people. The growth rate achieved in 1981 was the highest in Central America. Guatemala's GNP increased by only 1 percent. In Honduras, the increase was 0.5 percent, while the Costa Rican GNP declined by 1.5 percent. El Salvador's GNP decreased by 9.5 percent, according to ECLA estimates. In the rest of Latin America, only Mexico and Paraguay join Nicaragua in the ranks of those countries with an 8 percent growth rate, which is the highest in Latin America. [applause]

The inflation rate in 1981 was 23.9 percent which -- compared with the 35.3 percent rate in 1980, according to definitive figures for that year -- represent an acceptable decline.

The acute international economic crisis, which is most harshly felt by our countries, along with the aforementioned factors, have caused a serious situation as regards Nicaragua's balance of payments. In 1981, we exported goods worth \$500.3 million FOB, while we imported goods worth \$995.4 million CIF.

The existence of a negative balance of payments obviously implies a great scarcity of foreign exchange and an absolute need to apply that foreign exchange exclusively for basic consumer goods and the elements that are required for production, as well as to implement new investment projects that allowed us to overcome the economic crisis and move toward our people's economic, social and cultural development.

In the framework of the national emergency, we must recognize the revolutionary patriotism and the great dedication of the working people who worked during Holy Week to defend the fatherland and increase production. We must realize that we will experience times of risk and of great economic difficulty. We must learn to work with our rifles that defend our political sovereignty alongside the machine that will produce economic independence. We are already learning to function as a society in dayshifts and nightshifts, for defense and for production. We are learning to be Sandinists in all spheres of life.

There have been, of course, deficiencies, lost opportunities, errors, and bad choices, some of which we will try to point out in this report, which is somewhat lengthy.

We are learning -- we will never stop learning -- how to best serve these noble, brave and self-sacrificing people. The revolutionary government's process of learning is already being reflected in concrete results in the state activities, which we will proceed to examine at this point, in the financial, productive, commercial, infrastructural, social, governmental, regional, local, foreign and defense sectors.

#### Financial Sector

The Government of National Reconstruction has responded to the international financial crisis with a coherent financial policy, allocating most of the internal and foreign financial resources to the development of the productive sector as a whole. From this viewpoint, new interest rates were authorized, differentiated according to activities, in order to provide incentives to the agricultural and industrial sectors. On the other hand, we restricted the credit demand of the less productive sectors.

As a result of this strict establishment of priorities among imports, we managed to increase the level of gross international reserves from April 1981 to December of the same year, by \$76.2 million, which in terms of percentages, totals 143.2 percent, since the level in April, 1981, was only \$53.2 millions.

The country's imports in 1981 totalled \$500.3 million, which was obtained thanks to the efforts to increase the volumes of traditional exports. Nevertheless, in some cases this effort was undermined by the unfavorable prices of those products. In absolute terms, the increase in exports over the previous year was \$50.3 million, which is equivalent to a relative increase of 11.2 percent.

The level of CIF imports rose to \$887.2 million in 1980 and to \$995.4 million in 1981 because of the need to guarantee the supply of basic consumption items for the population, inputs, machinery and equipment for the unfolding of production activities. This represented an increase of \$108.2 million, or 12.2 percent, which was largely a result of the higher prices we must pay for imported goods, especially for fuel, as well as of the greater volume demanded by the different productive sectors.

From 19 July 1979 to the date of this report last year, 4 May 1981, Nicaragua had received foreign aid of \$1,135,200,000 of which \$206.1 million were donations and \$929.1 million were medium- and long-term foreign loans. A year afterwards, the total foreign aid has increased to \$1,495,700,000 of which \$1,235,500,000 are medium- and long-term loans and \$263.2 million are donations. This represents an overall increase of \$360.5 million of which \$206.4 million are foreign loans and \$57 million are donations.

Lending terms for the foreign debt are very favorable. Medium- and long-term loans contracted since 19 July 1979 are divided into the following categories: 39.4 percent from multilateral organizations, 5.9 percent from aid, 9.4 percent from Western Europe, 16.9 percent from socialist countries, 18.1 percent from Latin America, 8.1 percent from Libya, 2 percent from Italian suppliers, and 0.2 percent from the rest of the world.

During the period between May 1981 and April 1982, credit recovery reached 9,128,200,000 cordobas, which represents 71.4 percent of the total amount lent during that same period. Most loans granted by the national financial system were short-term loans and reached 8,306,400,000 cordobas, or 91 percent.

In April 1982, deposits in the national financial system reached 8,184,100,000 cordobas. They increased by 1,988,500,000 cordobas between the period from April 1981 to April 1982, which represents a 32-percent increase in relative terms.

#### Tax Policies

The enforcement of new tax laws and the set of measures adopted to control tax evasion and improve the administration of internal revenues has led to an increase in revenues of 1.12 billion cordobas compared to the same period of last year. The total amount of ordinary revenues collected by the national treasury between April 1980 and March 1981 rose to 4.813 billion cordobas, and to 5.933 billion cordobas between April 1981 and March 1982.

Attempts to modernize the tax administration are evident in the setup of a single tax-payers' register, which will improve the services offered to the taxpayers and establish less complicated systems for identifying them.

#### State Budget

From the point of view of expenditures, an expense budget of 8,411,800,000 cordobas was administered through the general directorate of budget and treasury of the Finance Ministry. Expenditures had been estimated at 10,170,000,000 cordobas.

The control and rationalization of public expenditures produced by the decree on economic and social emergency allowed for savings in state resources totalling 1,924,000,000 cordobas at the end of the fiscal exercise. Of this total savings, 412.2 million cordobas are the result of the enforcement of the decree on economic emergency. Within the budget, a total of 1,220,000,000 cordobas were handled in the form of subsidies and contributions, representing 15 percent of the total budget. These were aimed mainly at improving the standard of living and social wages of our population's large working sectors. Subsidies currently granted to maintain the price of transportation, staples, milk and expenses directly related to the peoples' marketbasket amount to 2 million cordobas per day. Of the total figure for subsidies, 121 million cordobas went to the private sector, 798.2 million went to public enterprise and 294.2 million went to government agencies.

There was a decrease in the level of investment projects mainly because many projects could not be carried out in view of the fact that aid financing had been foreseen. These totalled 116.7 million cordobas. There were some additional failures in getting foreign financing for projects, for up to 290 million cordobas.

#### Agricultural Production

Agriculture-originated exports represented 70 percent of total exports. It is also worth mentioning that these exports yielded a net foreign exchange balance of 74 percent, which means that for every \$1.00 worth of agricultural exports, only \$0.26 were spent in the importation on inputs, fuel and machinery. The agricultural sector is also the main engine of industrial development. It supplies the raw materials and demands almost 75 percent of the production of the genuine industry of our manufacturing sector and provides employment for more than 300,000 workers, agricultural workers and peasants.

Through the Ministry of Agricultural Development and Agrarian Reform, MIDINRA, the revolutionary state has implemented an administrative structure that is in line with the agricultural situation.

The latest transformations, made in December 1981, have permitted the creation of a general directorate for the agrarian reform which is geared to obtaining a planning system, and production directorates to create a control structure per field of activity. Therefore, we have created the basic foodstuffs, agro-industrial production, agro-industrial exports and cattle-raising directorates.

The decentralization of administrative tasks also favored the initiation of strategic discussions regarding major development projects and how to face the problem of peasants. We were able to organize the national food program, which reflects the will of the Sandinist peoples' revolution to solve its feeding problems and to allow society's underdogs to participate in the fruits of development.

We also worked on the agrarian reform laws, on agrarian reform companies and on cooperatives. We also worked at getting new financial and administrative guidelines for the field of peoples' property. In order to provide support for the achievement of the companies' economic plans during 1981, we enforced the single system for administrative control and have thus far been able to implement it in 81 percent of the cases.

Since the last restructuring, 75 businesses have been set up. Twenty-one of them lend support services for production activities and the rest are agricultural and agro-industrial. Of these 75 businesses, 43 have already been formally set up. More than 40,000 workers are employed in these agricultural and agro-industrial enterprises.

#### The 1981-1982 Cycle

The country's agricultural and cattle production increased significantly in volume compared to the previous year. It also surpassed the 1977-1978 Somozist production cycle. This shows the patriotic efforts to increase production and the sacrifices of the working people.

We reached 90 percent of the goals that we set out to meet regarding the areas sown. The main difference can be explained because of a drop in the area sown by the country's largest sector; the private sector. This sector decreased its area by 218,755 [unit of measurement not specified] in the 1980-1981 cycle, and up to 176,507 in the 1981-1982 cycle; that is, approximately 20 percent. However, the country's agricultural production has not only increased compared to last year but also compared to the last normal agricultural cycle of Somozism; 1977-1978.

Following the trend that is being experienced in Central America -- high domestic costs and low export prices -- the prices of cotton and sesame seeds dropped considerably compared to the previous cycle; that is 15.77 percent and 25.5 percent respectively. While cotton production is below the levels of the 1977-1978 cycle, by 88 percent, sesame seed production has increased by 28 percent compared to the last historical cycle [referring to the 1977-1978 cycle].

Additionally, almost all the main crops of the country's economy have higher production levels this year than during the previous cycle and significantly higher levels than the historical cycle. For example, banana production has increased by 10.5 percent compared to the 1977-1978 cycle. Coffee has increased by 3.6 percent compared with last year and by 9.4 compared with the last historical year.

Regarding sugarcane, its production has increased by 21.4 percent compared to the previous year, which represents 18.7 percent more than the 1977-1978 production.

Tobacco production increased by 7.4 percent over the 1977-1978 cycle, but registered a drop compared to last year.

(?Despite) our limitations, corn production for the 1981-1982 cycle is 9 percent higher than last year and .5 percent higher than the 1977-1978 cycle.

Rice production increased by 45 percent compared to last year and by 88.7 percent compared to the last historical cycle. Similarly, bean production went up by 108.3 percent over last year and by 47.4 percent compared to the 1977-1978 cycle. Sorghum production is the same as last year, which represents a 109.8-percent increase over production during the last cycle of the dictatorship.

According to World Bank figures, Nicaraguan agriculture, despite the depressing world conditions, has registered one of the highest growth rates in Latin America.

#### Animal Production

Regarding this production, there was a positive balance of pork and chicken meat but there was a deficit regarding cattle. Cattle production is still the biggest problem in the agricultural recovery because herds continue to decrease not only in comparison with the period of dictatorship but as compared with last year's figures. However, the delivery of milk to pasteurizing plants increased by .4 percent compared to last year. The situation is more positive in the case of pig production because we are not only producing 4.8 percent more than last year but 77 percent more than during the last year of the Somozist dictatorship. The balance is also positive in poultry production. It increased by 3.5 percent compared to the previous cycle and by 19 percent compared with the times of the dictatorship. The same can be said for egg production, which increased by 42 percent over last year and 30 percent compared to the 1977-1978 cycle.

#### Agrarian Reform

The actions of the agrarian reform have resulted in progress for the recovery and transformation of the agricultural sector. The measures implemented to seize land from the Somozists -- 20 percent of the country's production -- the creation of 75 enterprises of the People's Property Area [APP], and the limitation on the leased lands, can be added to this cycle. The promulgation of the agrarian reform law, the law on cooperatives and their subsequent actions resulted in the organization and consolidation of approximately 2,000 cooperatives for production and services. More than 100,000 manzanas were distributed to peasants who are organized in cooperatives and individual peasants after the law went into effect, thus continuing efforts to overcome colonial ways of exploitation -- half-partnership [medianeria], partnership by parcels [aparceria], tenant ownership [colonato] and others -- affecting the lands of usurers, large landowners, those who send their capital abroad and counterrevolutionaries. In this way, the government promotes the development of the agricultural and livestock sectors through the creation of agricultural development and agrarian reform areas where we are implementing large agricultural investment programs and projects.

The implementation of the agrarian reform is being carried out within the idea of democratic participation with the creation of the regional councils of agrarian reform, the national council of agrarian reform, the agrarian courts, the production councils of the state production units, the [words indistinct] and the agrarian reform enterprises.

#### Services to Production

Credits: During the 1981-1982, the (?national financial system) financed a total of 559,000 manzanas, 46 percent of which were devoted to local consumption and 54 percent for exportation. Every sector of the country's economy benefitted from the credits. Of the total areas financed, 20 percent corresponded to the APP, 26 percent to the large private sector and 44 percent to the small private sector, that is, the small individual peasants and those organized in cooperatives. These figures represent a 2 percent decrease compared to the previous year when the granting of credits was a little bit rigorous.

However, the areas financed surpassed the figures of traditional periods, approximately by twice as much, thus reflecting the government's determination to support agricultural production, particularly the production of the peasants. There are differential rates to benefit the small producers. These rates range from 6 to 11 percent for rural credits and up to 17 percent for large private producers and state producers. However, these rates are still below international rates and demonstrate the government interest in encouraging agricultural production.

#### Economic Service

Technical assistance to the small producer has been strengthened through a recently created general directorate of agrarian reform, and improvement to the production services by organizing large service enterprises such as mechanization through the mechanized agriculture enterprise [AGROMECA]; the provision of raw materials by the agricultural products enterprise [PROAGRO]; fumigation by the air services and transportation enterprise; installation of irrigation equipment by COMINFRA [expansion unknown]; and communications with CEMA.

#### Social Services

Through the Ministry of Agricultural Development and Agrarian Reform, social programs, such as housing construction, health and training programs, have been completed. More than 1,100 homes for peasant families have been built, 84 dispensaries and 16 clinics. To date 520 additional health facilities are being built.

#### Agricultural Development Program

To date the programs for the economic development projects that serve as a spearhead for the agrarian reform are as follows: First of all is the national nutrition program with its main objective being the supply of basic foods and the cattle program, the main short-range goal of which is the recovery of production levels and sustained development in the near future. This program involves nine projects that, using technical, human and financial resources, will promote artificial insemination and the production of powdered milk, pasture seeds, mineral salts and cold milk.

The sugar program, as such, entails the construction of several sugar mills and the use of the existing capacity of the sugar mills which are in current operation. This program begins with the construction of the Malacatoya sugar mill that will produce approximately the same amount of sugar that the five existing sugar mills belonging to the people's property area currently produce.

The coffee plantation renewal program entails the renewal of 41,000 manzanas in a 9 year period.

Among the most important projects, we find the Carlos Fonseca Amador project for the area of Guasimala that will produce corn, beans, plantains, orchard products and coffee.

The Pronorte project's main objective is to unite the rest of the country with the northern departments of Nueva Segovia, Madriz and Esteli, as well as a reorganization of the production system in the region with a poultry project that will increase the production of poultry meat by 60 percent and of eggs by 20 percent.

The project for the production of oil [word indistinct], the Conarca project, the project for the production of beans, represent 95 projects which have not been completed.

Basically, [they will be completed] through three methods: donations, financing and the creation of enterprises with investments from Cuba, Mexico, Libya and with French enterprises.

## Industry

In the area of industry the process of reactivation which began last year was continued. Ninety-eight and a half percent of the 1980 programs were completed.

The basic development of the textile, clothing, paper, printing and foodstuffs industries was positive. In view of the acute shortage of foreign exchange, we are taking advantage of the newly-developing national engineering industry. We hereby acknowledge the efforts made by the industrial workers, and our technicians, for the creativity and energy which they have shown in providing alternatives for what we previously had to import for our manufacturing industry. This line of action has allowed us to use our national resources during this period, and to substitute domestic goods for imported finished products, such as soap, detergents, toothpaste, plastic bags, toilet paper, cottongoods, machetes and other tools for the agriculture and construction industries.

During this critical period, the Ministry of Industries has maintained close contact with the private sector and the small manufacturers. We can say that 60 percent of the foreign exchange allotted to industry has gone to the private sector. Of the credits granted to the industrial sector, 70 percent have gone to the private sector.

In order to bolster these and other sectors, we have promoted several new projects which will change the productive structure within a short period of time. Some of these projects are; the manufacture of yarns, towels, stockings, baby foods, (profanicsa), (corsalina); the (Solka) soft drink factory, cardboard box factory, steel foundry; hand tools for agriculture; the modernization of the match factory, expanding existing facilities at (Tecnisa); and the duplicate invoice printing project. [all names phonetic]

Regarding small industries and handicrafts, I can say that we have managed to reactivate and identify them through a national census, which will allow us to establish a policy to protect these industries and to create incentives for them. During this period, eight new industrial cooperatives were founded, mainly in the outlying departments, integrating 974 shops that employ more than 3,000 workers. [applause]

## Mining

Gold production increased by 1.6 percent during this period, although during the last 6 months, the La Rosita and Cerro Dorado mines had to be closed for economic reasons. The nonmetallic mining industrial income increased 16.4 percent, due mainly to the increase in prices of gypsum, rock, and bentonite. Our goals for increased production are 15 percent for gold, and 21.5 percent for nonmetallic ores, the latter in proportion to the growth of the construction sector.

The consolidation of the production cooperative in the mining sector, as well as that of the enterprises financed and logistically supported by (DIMINI), is increasing and becoming more efficient day by day. For this year we expect an increase of 72 percent [word indistinct] in the production of small mines.

To ensure the progress of our mining industry, we have conducted 11 geological research projects. We have created a geological-metallurgical central laboratory. It has been financed by a donation from Sweden. It will start operating this year. We must mention the solidarity and aid that we have received in this sector from Sweden, Bulgaria, Czechoslovakia, and the USSR. [applause]

The revolutionary government has approved a program to build 544 housing units and drinking water facilities and to create health services and a pension plan for miners.

### Fishing

We plan to produce 4,810,813 pounds of shrimp during the 1981-1982 period. Up to February 1982, we had produced 4,071,595 pounds. We expect to fulfill our goal in the remaining months of the year. We had set a goal of catching 1,226,578 pounds of lobster during this period. Up to February, we had caught 777,872 pounds. In the next few months we expect to catch 300,000 pounds worth \$2.55 million. We had planned to catch 1,225,953 pounds of fish. Up to February 1982 we had caught 1,898,747 pounds. We expect to surpass our goal by 70 percent by the end of the period.

Our results would have been greater if we had had the necessary logistic support, like spare parts, and an adequate supply of ice in the Atlantic and Pacific sectors. These shortcomings, plus bad weather during the months of October and November, decreased our fishing days and forced the fleet to return to port. The constant seizure of vessels, which forced us to adopt security measures, also affected our fishing production. During the period May 1981 - May 1982, we lost or were robbed of nine vessels worth approximately \$6 million. This cut our production by about 550,000 pounds, which would have increased our lobster and shrimp exports by \$2.25 million.

### Interior Trade Sector

In this sector, we have advanced policies aimed at guaranteeing a steady supply of staples to our people. We are controlling prices and contributing to our goal of attaining the country's economic independence through diversification of our foreign trade. Due to the disorganized distribution of rice and salt, (NICORIN) promoted the formation of a coordinating office to market rice and salt with the participation of the private sector and people's property area sector. We have managed to increase production and to rationalize marketing. The government has granted the necessary aid to solve problems, thereby allowing us to start exporting these products soon, obtaining foreign currency for the country.

In view of the speculation that was going on with sugar, we proceeded to rationalize its supply, making the people responsible for its distribution in order to ensure an adequate and cheap supply. In order to achieve this, in March 1982, we conducted a complete census of all Managua areas, with the help of the Sandinist defense committees. The census covered a total of 726,369 people. We delivered 25,455 quintals a month.

In other departments, we are making efforts, with the help of mass organizations, to ensure that low-priced sugar is available in adequate quantities to every Nicaraguan family. [applause]

The Nicaraguan basic foods enterprise (ENABAS) increased its purchases of the marketable production of basic grains at the national level by 75 percent compared to last year. Total purchases amounted to 3.9 million quintals against 2.3 million in the previous period.

Among the donations received, we must highlight the donations of wheat which amounted to 4.3 million quintals. This was donated to us by friendly countries in a gesture of solidarity and support, in the face of the imperialist economic aggression we were subjected to by the United States, which cut off our wheat imports. We must take note of the donations of wheat made by the GDR, the USSR, Canada, Argentina, France, Sweden and Spain and the EEC, among others. [applause] The EEC donated 92,000 quintals of beans. The EEC and the FRG donated 89,000 quintals of rice.

We regard the marketing of our crop during this period, especially that of the small and medium producers, as a positive achievement. We were able to meet the minimum prices established for the 1981-1982 agricultural cycle.

As regards the fishing industry, through a better system of distribution we were able to supply the working class of our rural area with this low-priced basic food.

Sales of basic grain at the national level through ENABAS amounted to 4.6 million quintals. This is 55 percent of national grain consumption, 63 percent more than during the previous period. ENABAS' storage capacity was increased from 4.5 million to 5.7 million [no unit specified] during the period. Despite this, there are still storage problems, especially during harvest months.

During the 1981-1982 period the revolutionary government, through ENABAS, granted the Nicaraguan people a subsidy of approximately 112 million cordobas. This subsidy stems from our policy of maintaining a standard price to the consumer. At the same time, we have paid higher prices to the producers, thereby giving an incentive to production.

#### Foreign Trade

The Foreign Trade Ministry conducted activities leading to the signing of several trade agreements, among them: An agreement with the USSR for the supply of machinery and equipment, for \$50 million; an agreement with the People's Republic of Bulgaria for automatic renewal of credits for \$3.5 million, and \$5 million for the purchase of consumer goods and equipment; credits for \$25 million with Spain; and credits for \$8.8 million with France.

We can say that the use of credit lines granted to us by friendly countries to purchase products that Nicaragua has to import, has helped to diversify the markets of our imports. However, the optimum use of credit was a serious problem during 1981, forcing the Junta of the Government of National Reconstruction to discuss the use of these credits with the national agencies involved.

We regard the trade relations established between our import agencies and the socialist countries as an important step.

#### Economic Integration

We have maintained trade with all Central American countries. In February 1980 we obtained for Nicaragua provisional preferential treatment which allowed for certain flexibility in the application of the legal norms of integration. There was a decrease in the deficit of our trade balance with the rest of the countries of the Central American Common Market. This decreased from 201.6 million cordobas in the period January - November 1980 to 131.8 million cordobas for the same period in 1981. This was due to a decrease in imports which dropped 28 percent from 241.7 million cordobas to 196.4 million cordobas. Exports to the area showed a decrease of 8 percent. The following are the figures for exports made through the Foreign Trade Ministry; in sugar, we achieved 95.5 percent of the goal established by the 1981 economic plan. The 1980-1981 cotton harvest amounted 339,810 bales, 326,991 of which were exported, the rest being left for domestic consumption. Exports yielded revenue amounting to \$124 million. In 1981, we exported 112,378 quintals of processed sesame and 56,086 quintals of raw sesame, yielding a revenue of \$7.4 million.

Until 27 March of this year we have exported 392,308 quintals of coffee producing \$48,496,615 in revenue. [Word indistinct] exports for this year will amount to \$1.13 million.

In the 1981-1982 period we exported 14,425,686 pounds of beef amounting to \$16,883,078. Exports of nontraditional products amounted to \$5,163,639. We have to stress the building of the POCHOMIL tourist resort by the Nicaraguan Tourist Institute. This resort was begun in 1981 with an investment of 27 million cordobas. It is 90 percent completed. The institute is also working on the San Juan del Sur, (CHILOA), and El Trapiche resorts, investing 26.2 million cordobas.

### Infrastructure Sector

Within the framework of the economic development programmed by the revolutionary government, priority has been given to strengthening [word indistinct] and social programs. The Construction Ministry has invested 175 million cordobas in projects covering 72,000 square meters. Among these projects, we must stress five markets, five hospitals, two health centers, and two educational centers. [applause]

We built 170.1 km of highway costing 307 million cordobas, distributed geographically in the following manner: 47.9 km in the northern area, 62.9 km in the Pacific area, 59.3 km in the Atlantic area. We must make note to the Tumba-Walala-Suira-Puerto Cabezas highway which effectively joined the Atlantic areas with the Pacific.

We serviced 10,110 km of highway. This is 40.4 percent of our national highway system.

The Transport Ministry has progressed in improving and developing land, sea, and air transportation. During this period the ENABUS bus service has carried 55.4 million passengers, which is 9 percent more than in the previous period. For 1982, we are expecting an increase to about 80 million passengers. At present we have 111 units, which represents an increase of 43 percent as compared to the previous period. The control of bus tickets and a staggered schedule have enabled us to provide more efficient service. However, we are still dragging a heavy burden inherited in the city and interurban passenger services which will gradually be improved.

The railroad has increased its passenger service by 21 percent. Freight services have increased by 18 percent.

There has been great progress in the normalization, regulation, and control of our water transportation system. This has resulted in increased safety for the passengers and crew and has improved the efficiency of sailing schedules. The National Water Transportation Service acquired a vessel for coastal service along the Atlantic coast. It increased services 10 percent compared to the same period last year.

We are continuing to improve our port facilities, domestic as well as deepwater ports. We have increased freight services by 20 percent. We created the Central American Freight Services enterprises in view of the high cost of maritime freight rates which affected our economy.

We created the Aero Lineas enterprise, which has bought a Boeing 727-100 with a capacity of 119 passengers, a Boeing 720 with a capacity of 149 passengers, and two AVIOCAR C-212's with a capacity of 28 passengers for domestic flights on the Atlantic coast. One of these was to have been delivered at the factory at the end of this month.

The Palestine Liberation Organization, PLO, has donated a Boeing 707 cargo plane. It will arrive here soon. [applause]

During this period the Housing Ministry has granted 2,642 lots in 68 of 416 neighborhoods, benefitting 15,811 people. These lots have been granted on credit. [applause]

During this period the ministry started building 3,695 homes -- 1,009 in Managua and 2,689 in production centers. Homes were given to 1,892 families, thereby benefitting 12,000 people. Repairs were made to 186 homes, benefitting 1,016 people. The revolutionary government's aim regarding housing programs is to cater to the working class and the rural sectors, which were completely forsaken in the past. The Housing Ministry has developed progressive housing projects granting lots with a very low down-payment, therefore guaranteeing the orderly growth of the city and the improvement of the living conditions of 16,000 people who have benefitted from this action.

In the energy field, the National Reconstruction Government, through the INE [Nicaraguan Energy Institute], has constructed the 35 megawatt geothermal plant. In this period, 50 percent of the construction of the plant located in Homotombo has been achieved.

In July, the laying of the transmission lines to interconnect the Costa Rican electricity system with Nicaragua will be completed. This represents a savings of \$4.8 million a year in foreign exchange.

One hundred million cordobas were invested in the maintenance and improvement of the electric power system to provide a better quality service and 90 million cordobas for the construction of seven new substations and the remodeling of six others.

An investment of 10 million cordobas was made in the rural electrification program. Four hundred and eighty-four km of distribution lines were built, benefitting 35 communities.

Studies were continued for the construction of hydroelectric plants on the (Mojoica), (Cotalar) and Wiwili rivers.

As part of the policy of infrastructural development, the Nicaraguan aqueducts and Sewers Institute [INAA] has installed 134 km of pipes of various sizes. This is 30 percent less than during the previous period. In this period, 27 km were installed in Managua and 107 km in the rest of the country. There was an increase of 43,541 people served through 6,247 connections. Twenty-six deep wells were dug; 3,630 new latrines were installed; 14 km of sewage drains were built; and 120 wells of [word indistinct] were built.

The investment in the programs currently carried out by the INAA amounts to 106 million cordobas, 75 percent of which stem from foreign funds from the IDB, [acronym indistinct] and care.

In the communications area, the capacity of the General Directorate of Communications and Post Offices increased from May 1981 to April 1982 by 15,900 users. One thousand km of critical lines were installed in the Managua-Matagalpa-Ocotol-Jalapa-Boaco-Juigalpa routes. Two TELCOR [Nicaraguan Telecommunications and Postal Services] buildings were built in Chinandega and Leon and the buildings in Corinto and Chinandega were remodeled.

Forty-nine percent of the shares of NICATELSAT, which were in foreign hands, were bought. One hundred percent of the shares are now in the hands of people, thus creating the independent Nicaraguan International Telecommunications Enterprise. [applause]

Six new postal routes were opened and a new distribution system was implemented, the goal of which is the delivery of mail within 48 hours.

We must point out the need to rationally use the more important material resources for the strengthening of the defense activities without reducing the (?infrastructure) projects.

In the communications sector, several stamp issues were put out, the main one being one to be issued on the 100th anniversary of the death of Karl Marx. [applause]

#### The Social Sector

Our Sandinist people's revolution is essentially one of deep concern for the social well-being of our people. For this reason, the increase in the number and quality of the state services to the great majority of our people continues to be one of the essential objectives of the National Reconstruction Government.

## Health

The past 12 months were for the Health Ministry a year of consolidation of its organizational structure and the extension of the service to our people. The 1981 budget for the Health Ministry was 1,014,000,000 cordobas, and in 1982 it was 1,183,000,000 cordobas, which represent 11.6 percent and 10.9 percent of the total state budget for those years.

At this time five hospitals are being built at a total cost of 476 million cordobas, and with a capacity of 947 beds. These hospitals are the children's hospital and the hospitals in Masaya, Rivas, Matagalpa and Bluefields. During 1981, 44 health centers were built and three health centers were remodeled.

If one compares the services provided during the period from April 1980 to March 1981 and from April 1981 to March 1982, the following results will be obtained; the medical consultations increased from 5,082,126 to 5,485,868, equivalent to a 7.9 percent increase. The [words indistinct] and the supplied vaccine doses showed similar gains, with an 82.3 percent and 35 percent increase.

The people's health campaign in 1981 represented one of the greatest advances in the work of the organization of [word indistinct]. They led to a considerable decrease in the incidence of poliomyelitis and measles. In 1981, a total of 1,173,252 polio vaccinations were given, 409,652 triple vaccinations -- diphtheria, tetanus and whooping cough -- and 165,325 measles vaccinations were given. They also prevented dengue fever from entering the country, and there was a 50 percent decrease in the incidence of malaria beginning in November when the anti-malaria drive was carried out. [applause]

There was an increase of students studying to be technicians and nurse's aides to a total of 1,498 and two departmental schools of nurse's aides were consolidated. Two nursing schools were opened in La Trinidad and Puerto Cabezas. There are 611 health professionals and 1,633 nurse's aides and technicians doing their obligatory health service. Fifty-two specialized doctors were graduated. The Health Ministry currently has 1,302 scholarship students inside and outside the country.

## Social Security and Welfare

The Nicaraguan Social Security Institute merged with the Social Welfare Ministry to form the Nicaraguan Social Security and Welfare Institute with the object of rationalizing and increasing the efficiency of the social security and welfare system in accordance with the guidelines of the National Reconstruction Government.

Through that ministry, social programs have been strengthened. There have been significant achievements in the establishment of children's cafeterias, protection and guidance to families, psychosocial and occupational rehabilitation, protection of the elderly and the vocational system.

## Education

In this area the Education Ministry incorporated 1,103,000 students into the education system this year, an unprecedented figure in national education. [applause]

A total of 502,000 students were registered in 1978. The corresponding budget cost was 1,159,000 cordobas this year, compared to (2349,000) cordobas in 1978. This has called for the creation, starting 19 July 1979, of 20,489 teaching jobs and the administration and service of 1,696 new schools compared to 1979. This increase can be seen at all levels. In preschool education there are 41,215 students, an increase of 10,691 students over 1981. In primary education there are 530,000 students, an increase 26,503 students over the previous year. Special mention should be made here of the contingent of more than 2,000 internationalists, Cubans [applause] and of other nationalities who are promoting our education program at this level.

In midlevel education there is an increase of 11,279 students over 1981. In technical education there are 89,224 students, an increase of 19,445 students over 1981. In agricultural education we have continued to promote and equip the five agricultural institutes, in Chinandega, Zelaya, Chontales, Matagalpa and Río San Juan, creating three basic cycles and one middle level institute.

A total of 1,420 elementary school teachers graduated from teaching schools and more than 3,000 commercial education students were supervised and counseled. A total of 29 private centers were nationalized, the payment of the teachers in 34 mixed middle educational centers was assumed and 77 private education centers were subsidized.

Physical education was provided for more than 20,000 students and 1,587 students were given special education.

Adult education was given to 208,523 students at different levels. The second work-study experience was carried out with the participation of 115,611 students and 107 workshops were held for motivation of health and agricultural education. Nutritional supplements were given to 64,650 students, an increase of 9,075 over 1981. A total of 1,051 new scholarships were granted in agriculture, technical and teaching areas. For 1982 programs were drafted for university, technical, preparatory and higher education extensions as part of the carrying out the government's specific objectives of educating professionals and technicians in accordance with our necessities.

#### Labor

The work of the Labor Ministry for the past year can be summarized in the following manner: In its function of guiding and protecting the fulfillment of the country's labor laws, it responded to 9,272 labor grievances, obtaining from the employers payments to the workers totaling 6,730,000 cordobas. For the same purpose, 13,000 inspections were carried out in an equal number of work centers and factories employing 216,198 workers, compared to 1,629 inspections made the previous year.

It should be noted that the ministry extends free legal advice through its legal advice office with the object of guaranteeing dignified conditions. The ministry carried out 725 inspections throughout the country of companies and farms which employ 103,000 workers.

The authority of the labor inspector has been gradually strengthened with the object of guaranteeing the rights of the workers.

During this period 245 labor agreements were signed and a number of benefits were guaranteed for 73,023 workers. It should be noted that during the 14 years of existence of the collective agreements during the dictatorship, only 163 agreements were signed.

The Labor Ministry extended legal standing to 511 new unions this year, covering 30,614 union members, compared to 254 new unions registered during the previous year. At the time of the Sandinist People's Revolution only 174 free unions existed, most of which were (?white) unions.

Through the General Directorate of Employment and Wages, we managed to maintain control over the prices of staples and achieved the leveling of wages at 120 pesos [as heard] up to a total of 5.6 million cordobas, benefiting 17,900 workers.

#### Culture

Regarding culture, the creation of the Popular Culture Council resulted in a qualitative improvement of the administrative efforts in the production of cultural goods and services. Among the most important projects of cultural recovery and promotion of Nicaraguan craftsmanship are three national activities: the (Xiloben) corn fair, the Buy Nicaraguan Fair La Pinata and the first encounter of Artesans of the November Martyrs-Heroes. [applause]

In the film branch, progress has been made in the production of numerous short news and documentary films. The mobile movie system has made approximately 5,786 [as heard] presentations to 1,894,489 spectators.

In sports, during 1981 special importance was given to sports education and mass sports through the voluntary sports committees. The fundamental achievement of this effort was the establishment of the Physical Education School in Granada.

The holding of the (?Arellana) activities was another activity worthy of mention during this period. Its principal achievements were the establishment of a Permanent Committee of Intellectuals for the Sovereignty of Latin America and the Ruben Dario Cultural Independence Order.

In the regional and local sector during this year the government junta promoted a regional and local policy directed at overcoming the regional imbalances, national integration, the strengthening of administrative decentralization and the democratization of all state activities.

For that purpose the Secretariat of Municipal Affairs directed its efforts towards the institutional development of the municipal reconstruction boards, emphasizing strengthening the administrative and planning capacity, promoting institutional coordination and popular participation and making investments which meet the greatest needs of the communities.

The Secretariat of Municipal Affairs, with resources provided by foreign sources, unemployment fund and others, developed for the benefit of more than 50 cities and communities many projects, consisting primarily of urban improvement projects, farm roads, projects to improve and expand markets and supply networks, environmental improvement and elimination of garbage dumps and rural production projects.

The investments of these resources were channeled by (?SAMU) with foreign donations and the unemployment fund, provided for in the municipal infrastructure and support for production, which has benefited 25 communities in the country.

#### Managua's Reconstruction Board

Since 19 July 1979, one of the Junta of the Government of National Reconstruction most important projects has been the reconstruction of Managua's old districts. Managua's Reconstruction Board was able to generate its own funds in 1981 to go ahead with the plan in which so far 93.9 million cordobas have been invested.

Among the most urgent projects carried out by Managua's Reconstruction Board was the reconstruction of neighborhoods and the construction of drainage and sewage in five neighborhoods of the capital. The (Isla Norte), (Isla Sur), the Bolivar Avenue [words indistinct] and Sabana Grande highway projects were all completed.

#### The Atlantic Coast

The Junta of the Government of National Reconstruction has given special attention to the project of developing the most backward regions in the Atlantic coast, while maintaining its ethnic and cultural characteristics as established in last year's declaration of principles and guidelines of the revolutionary process. We can say that the Sandinist people's revolution has tried to strengthen the ethnic identity of the inhabitants of the Atlantic coast, while solving the problems of oppression, exploitation and backwardness inherited from the former regime.

The national literacy crusade [words indistinct] taught 33,726 persons to read and write. There are 55,948 students, 918 schools and 1,869 teachers, a definite improvement over the Somoquist era. Currently there are 10,683 students more than during the time of Somozism. I wish to report the construction of 480 new schools and the appointment of 855 teachers.

In the field of health our medical and paramedical personnel have 446 units. In 1978 there were only 128 [words indistinct] and 46 health centers, now we have 71.

#### Tasba Pri

For different reasons known to all, it was necessary to hasten to transfer of the Miskito communities from the Rio Coco to a safer place with better development possibilities. The main reasons were: the yearly floods, the lack of means of communications other than the Rio Coco, the loss of their crops, poor soil, dispersed population, and the most important of all, the climate of terror in which the people lived along the Rio Coco due to the activities of the counterrevolutionary bands formed by former Somozist guardsmen, politicians who have betrayed their country [words indistinct].

These were the reasons that forced the Junta of the Government of National Reconstruction to take these emergency measures on behalf of the Miskito communities affected by this situation. The transfer of the communities began in January 1982 [words indistinct]. Special teams worked in coordination with the communities taking care of the production areas and of the infrastructures of social, health, education, political, culture and others [words indistinct] using various means of communications, the supply of potable water, taking care of the terrain for construction projects and of the soil to take care of the needs of the new settlements. This is how the Tasba Pri project was created. It now consists of (Cuasimona), (Sasa), (Sumavilla) and (Codillo) -- an area of 53,546 hectares. [applause]

The Tasba Pri gigantic development project has cost 65 million cordobas. It consists of 1,777 houses, 4 schools, 4 health centers and also a basic food production center.

There is a project for economic consolidation based on traditional crops. It is a 5-year economic development plan which will begin in 1983 and in which 203 million cordobas will be invested. [words indistinct]

With regard to production we have obtained the people's full participation. They have prepared the soil [words indistinct]. Many job opportunities have been made available with the infrastructure projects [words indistinct] in the installation of latrines, water supply [words indistinct]. The new settlements have been supplied with the materials to build warehouses and other buildings. [words indistinct]

The Junta of the Government of National Reconstruction is promoting a campaign urging the people of the Tasba Pri communities to cooperate with the infrastructure projects before the rainy season sets in. [applause]

#### The Government Sector

The government has given decisive support to state institutions [words indistinct].

#### Planning

The Planning Ministry has coordinated the efforts to establish a development plan for the community. Despite limitations, substantial progress has been made during the past 12 months. For instance, there has been much activity in organizing and training new cadres according to programs sponsored by the Nicaraguan Public Administration Institute.

Progress was made in promoting economic relations with socialist countries. Studies were conducted [words indistinct] overall economy by sectors [words indistinct]. An economic development campaign was promoted through various news media and the use of computers sponsored by the National Information Department.

In the field of statistics and census, it was primarily established to plan and implement [words indistinct] methodology, as a major achievement [words indistinct] in obtaining more precise information in order to set up policies to meet our basic needs. Regarding administrative control, the General Comptroller's Office has made a total of 685 audits and technical inspections [words indistinct]. The Comptroller's Office has revealed a total of 56 cases of fraud, misuse of funds, embezzlement, in the amount of 2,343,325 cordobas which took place from May 1981 to May 1982.

In the area of justice, concerning the Justice Ministry, intense activity was carried out to recover properties that were irresponsibly abandoned by their owners in accordance with the powers conferred on the Justice Ministry by decree No 770, law on the state appropriation of abandoned properties. The ministry also favorably resolved many cases in which the proprietors or their representatives approached the ministry within the time established by the law.

Through Decree No 922, a prosecuting procedure was established to try cases of embezzlement, fraud and speculation in order to safeguard the properties of the state which are owned by the people. This means that in these cases, an arrest warrant issued by a district judge would suffice. Therefore, those arrested will not go to court and will be convicted on the basis of the arrest warrant. The criminal prosecuting office increased its actions to put an end to the activities of those who violently seek to subvert public order. Meanwhile, the civil and labor prosecuting offices have been working on the prevention of the capital depletion in the enterprises and on the appropriation of companies which have been declared of public interest.

#### Foreign Policy

Nicaraguan foreign policy has continued to reiterate Nicaragua's desire for peace and friendship with all the nations, its respect for the free-determination of the peoples, its right to express solidarity with all the peoples and movements in their struggle for liberation, its support for the strengthening of the Nonaligned Movement, the right of Latin America to remain united in the face of imperialist attacks, and the establishment of a new world order. [applause]

During the 36th period of the UN General Assembly session held in October 1981, we appeared at that organization through Daniel Ortega Saavedra, commander of the revolution and coordinator of the Junta of the Government of National Reconstruction. On that occasion, we stressed Nicaragua's desire for peace and its determination to make every possible effort to maintain peace in Central America and the Caribbean. We presented the peace proposal of the Salvadoran revolutionaries and expressed solidarity with the liberation struggles. We also criticized the U.S. economic policy of exporting its economic crisis to the developing countries. In view of an imminent large-scale U.S. military intervention, which increased tension in Central America threatening international peace and security, we requested an urgent UN Security Council meeting in a note that we sent to UN Secretary General Javier Perez de Cuellar on 18 March 1982. The meeting was convoked for 25 March and on that day, Commander Daniel Ortega Saavedra spoke at that meeting. In his speech, he stressed the following points: the escalation of aggression against our country over the past few months, covert CIA operations whose authorization by the Reagan administration is yet to be denied officially, the seriousness of a situation which seemed to point to an imminent intervention in Central America and our adherence to the proposal for overall negotiations of Mexican President Jose Lopez Portillo. The success of this appearance became evident when 32 countries expressed support for our position. The draft resolution cosponsored by Panama and Guyana was supported by 12 countries; France, Spain, the USSR, China, Jordan, Poland, Togo, Uganda, Ireland, Guyana, Panama and Japan. Zaire and the United Kingdom abstained from voting. However, the United States vetoed this resolution astonishing the international community. But this was a diplomatic defeat for the United States. [applause]

Nicaragua also attended the 20th consultative meeting of Latin American foreign ministers.

According to our principles of bringing closer the ties of friendship and cooperation with progressive, democratic and revolutionary countries, the leaders of our revolution visited several regions of the world to request support of our peace proposal and seek aid and better levels of technical, economic, scientific and cultural cooperation without any conditions.

These efforts, included visits of Daniel Ortega Saavedra, commander of the revolution and junta coordinator, to Mexico, (?Libya) and Honduras. He also spoke at the UN General Assembly and its Security Council. Commanders of the Revolution Jaime Wheelock, Carlos Nunez, Tomas Borge, Henry Ruiz and Victor Tirado Lopez visited different countries in America, European Asia and Africa.

I personally had the chance to reaffirm our policy of peace in visits to Honduras, Venezuela and the DPRK. In his capacity as president of the State Council, Commander Nunez visited the headquarters of the World Inter-Parliamentary Union where Nicaragua was accepted as a member.

Nicaragua has been the site of meetings of international organizations such as the regular meeting of the Postal Union of the Americas and Spain, the seminar on racial discrimination sponsored by the United Nations, the conference for the integral organization of animal health where an agreement was signed to reorganize the group and this agreement is known as the Managua agreement and the 16th plenum of the Group of Latin American and Caribbean Sugar Exporting Countries. We also obtained the vice presidency of the executive committee of the Panamerican Health Commission.

In May 1981, a seminar on laws was held. It was called the Silvio Mayorga juridical seminar and discussed justice and the revolution. It served to obtain a preliminary diagnosis of the country's legal system which permitted the drafting of a strategy for the urgent and indispensable changes needed to make the legal system a dynamic factor for the transformation and development of the revolutionary process.

In the period we are discussing, Nicaragua received the visit of leaders, politicians and chiefs of state and government including that of 'Ali Nasir Muhammad al-Hasni, secretary general of the Central Committee of the Yemeni Socialist Party and chairman of the Presidium of the Supreme People's Council and the Council of Ministers of the People's Democratic Republic of Yemen, DPRK Premier Yi Chong-ok, Mexican President Jose Lopez Portillo and Costa Rican President Rodrigo Carazo Odio. We also received the visits of Miguel de la Madrid, Mexican secretary of programming and budget; (Mu'ammarr Amil al-Kafi), secretary of the Benghazi People's Congress; Michael Manley, prime minister of Jamaica [as heard]; Claude Cheysson, French minister of external relations; Thomas Enders, U.S. assistant secretary of state for inter-American affairs; Frigyes Puja, Hungarian foreign affairs minister; Armando Hart Davalos, Cuban culture minister; Gerhard Schuerer, member of the Politburo of the Socialist Unity Party, chairman of the State Planning Commission and deputy chairman of the Council of Ministers of the GDR; Emil Schultheisz, Hungarian health minister and Rainer Offergeld, minister of economic cooperation of the FRG. Nicaragua also received the visit of many legislators from various countries including important senators and congressmen of the United States.

In sum, our country participated in some 20 conferences and meetings held within the inter-American and international system without including its participation in the various meetings of the Nonaligned Movement, those of the coordinating bureau as well as of the various [word indistinct] economic cooperation.

In conclusion, Nicaragua was the site of important international meetings such as the special meeting of the permanent conference of Latin American political parties held from 18 to 20 February 1981 where the FSLN presented our country's peace proposal aimed at preserving the region's peace and security to the Latin American delegates. [applause]

#### Armed Forces

The Interior Ministry -- Commander Tomas worked a lot [laughter] [changes thought] during the period that covers 4 May [applause] 1981 to 4 May 1982 has become notable for an increase in enemy activity which has become evident in many ways. This has been due to the encouragement and support that the enemy has received from U.S. imperialism. Therefore, the Interior Ministry, as guarantor of the security of the state and order in the country, has been involved in intense and constant activity to detect and dismantle the various counterrevolutionary [word indistinct] aware of the fact that any true revolution always generates a counterrevolution.

The Interior Ministry, without any kind of rest and with the support of specialized organizations, must face two main areas of activity; the counterrevolutionary activity and the crime in the social field which was inherited from the vices that are a legacy of over 40 years of Somozist dictatorship.

#### State Security

In 1981 the organizations of the State Security General Directorate dismantled 22 counterrevolutionary bands that operated mainly in the northern area of the country. [applause] some 200 counterrevolutionaries were annihilated and a similar number of members and collaborators were arrested. Nine counterrevolutionary organizations were dismantled.

In 1982, the counterrevolutionary activities in the interior of the country increased substantially. Most noteworthy were those activities directed and planned by counterrevolutionary organizations such as the Nicaraguan Democratic Union (UDN) the Nicaraguan Armed Forces [FAN] an organization financed by the CIA as part of its plans to destabilize the Sandinist peoples revolution. This coincides with the increase in activities with the approval of \$19-million in U.S. Government aid to finance covert operations against Nicaragua.

In recent months, specialized organizations of the State Security General Directorate have dealt harsh blows to this counterrevolutionary organization.

These include: 1. Smashing the plans to destroy the cement factory and the refinery. 2. During the month of January the so-called Red Christmas plan was uncovered on the Atlantic coast. This plan was to realize the imperialist goal of separating this area from Nicaraguan territory. 3. In February (Pedro Paz Merlo) and (Pedro Rivas Delgado) were arrested. They entered the country to carry out a large conspiracy together with the UDN and the FAN. 4. With the arrest of the counterrevolutionary (Ramon Ramirez Espinales), a member of the commando detachment that blew up the bridge over the Rio Negro, CIA involvement was undeniably proven. 5. During the first quarter of 1982 the Sandinist police inflicted 79 casualties on the enemy during confrontations with counterrevolutionary groups operating in the interior of the country.

#### The Sandinist Police

The organization of the Sandinist police and its unity with our working people have been strengthened and consolidated. There has been satisfactory control of the sale of liquor. A large number of brothels and centers of vice, which harmed the morals and the respectable customs of the Nicaraguan people, have been closed.

The volunteer police corps was organized with great successes and achievements. The patrolling and protection of the city is increasingly achieving greater organization and effectiveness in the [words indistinct].

#### Penitentiary System

One of the greatest achievements has been the incorporation of 10 percent of the inmates in productive activities with a policy of moral and financial incentives for them and their families. [applause]

The National Fire Prevention System, SINACOI, provided 12,760 [word indistinct] services and consolidated its work in fire prevention education.

#### Defense Ministry

In the 1981-1982 period, the Sandinist Peoples Army [EPS] entered a phase of qualitative advances in its development, which have produced highly satisfactory results in both the military and political training and the combative readiness and mobilization of our troops. This permits us to confront with absolute confidence in victory any attempted invasion by the enemies of our people, against the achievements obtained in the past 34 months by revolutionary power. [applause]

The essential principle of our revolutionary army is the people in arms to defend the revolution. [applause] In this report we cannot forget the great role that our humble working people have played in defense. The reserve battalions are the loyal expression of the masses' desire to defend their social, economic, political and cultural achievements at any cost. The years 1981 and 1982 have seen fruitful efforts to train the reserve and Sandinist people's militia battalions. [applause]

This vigorous effort in our working people has once again been demonstrated in the emergency period we are experiencing. At the call of our revolutionary government, of our revolutionary vanguard, the FSLN, and of the military forces, the people massively went to the militia training centers. Their disciplines, unselfishness and patriotic and Sandinist spirit were enough to achieve a solid wall of defense in the face of impending imperialist aggression. This spirit of our people was shown with the blood and [word indistinct] that they continue to offer.

Great achievements were obtained in civil defense with the creation of the guiding directorate of that important aspect of defense at the level of the EPS. This task was carried out with organization and discipline by our people, thus permitting significant advances in the overall defense of our population.

Within the framework of the defense of the fatherland, our heroic border guard troops deserve special recognition. [applause] They have stood out in the strict fulfillment of their revolutionary duty. They have had to face difficult conditions and many limitations. They have constantly faced the actions of the bands of Somoquist criminals which constantly violate our sovereignty and attack our revolution. This has cost us the valuable lives of our soldiers of the border troops and the reserve battalions who so generously have shed their blood, loyal to slogan: They shall not pass. [applause] It would take a long time to list the countless battles waged by our border troops and the names of those heroic [word indistinct] of our people. In memory of their exemplary revolutionary lives, we demand the most sacred respect and the reaffirmation of our firm conviction to die as they did, in defense of the fatherland. [applause]

We want to conclude by stating that the EPS, at the head of our people, is ready to fulfill the sacred and historic mission. We have and will continue to fulfill it. We repeat one and a thousand times: they shall not pass! Free fatherland! [audience shouts "or death"]

SUPREME COURT OFFICIAL ADDRESSES STATE COUNCIL

PA061530 Managua Domestic Service in Spanish 0000 GMT 5 May 82

[Text] You are creating the laws for a revolutionary people who had long been deprived of their legitimate aspirations for justice, said Dr Vilma Nunez de Escorcia, acting president of the Supreme Court of Justice, in greeting the representatives of the third session of the State Council this morning.

Dr Nunez de Escorcia reminded the State Council members that they have in their hands, through their daily legislative activities, one of the fundamental tasks of the Sandinist popular revolution; to produce the law required by the revolutionary process. Here is the statement by Dr Nunez de Escorcia:

[Begin recording] [in progress] ...to produce the laws required by the revolution and to create the legal norms for the inevitable juridical changes of the revolution. The great transformations imposed on the lives of the people by authentic revolutions must necessarily extend to the juridical sphere, which will only faithfully reflect revolutionary change if the men and women who promulgate laws transmit the revolutionary experience of the masses and of the representatives of a people drafting their own destiny.

You are producing laws for a revolutionary people who had long been deprived of their legitimate aspirations for justice every time they invoked a complicated, difficult law that involved intricate legal institutions and theories used to disguise the nature of the bourgeois laws.

You must keep in mind that among the revolutionary realizations translated into the laws and decrees you may promulgate this year, priority should be given to those imposed by historic circumstances and the constant harassment of imperialism with its aggressive attitude [end recording].

MADRID PAPER INTERVIEWS SERGIO RAMIREZ

PM061551 Madrid EL PAIS in Spanish 28 Apr 82 p 5

[Angel Santa Cruz Madrid interview with Nicaraguan Government junta member Sergio Ramirez; "United States Wishes To Destroy Our Revolution Because We Are 'Bad Example'" -- date of interview not given]

[Excerpt] Question: What role could Madrid play in the current situation in Nicaragua and in Central America in general?

Answer: We discussed with Prime Minister Calvo-Sotelo the critical Central American situation and our particular interest in reaching an agreement with the United States. The Spanish Government's attitude was one of complete understanding. The prime minister even left in our hands the suggestion of a specific initiative which his government might support.

Question: What is Nicaragua's economic situation right now?

Answer: Decidedly bad. We have endured a war and an earthquake. The value of our traditional export products (meat, sugar and cotton) has fallen dramatically on international markets. Nevertheless, the people are behind the Sandinist leadership. It would be impossible to run a country in this situation without its people's support.

For instance, look, there has been a single, trifling, wage increase in Nicaragua in 3 years. We explained to the people the reasons for this measure and they understood them. My country is a people's democracy.

Question: Can that solidarity last long in the case of a small country subject to U.S. pressures and with such a fragile economic situation?

Answer: If they continue to pressure us, if they isolate us, if they close international credit channels to us, if they sabotage us....if that comes about, the revolution's choice is not suicide but to survive. A fair sharing out of poverty could be achieved.

There is always popular discontent when these circumstances occur; the fact that people understand it, as is the case in Nicaragua, does not mean that they like it. But in my country the discontent which may exist because of the current difficulties will not be capitalized on by reaction. There have been 3 years of intensive political education since Somoza's overthrow, and that cannot be forgotten.

Question: Do you feel really threatened by the United States?

Answer: We feel threatened directly and indirectly by the United States. The Washington government has never denied the reports published in its newspapers about destabilization plans for our country. They have blown up our bridges with very sophisticated explosives which no country in Central America possesses....

There is a destabilization plan, and its objective agents are the 5,000 Somozaist guardsmen receiving training in Honduras and the United States. Small groups of officers are being trained in Miami, who are then sent to Honduras to lead the troops. The arms they are now using -- and we have captured some of them -- are no longer obsolete. They are using FAL rifles, grenade launchers and mortars. [answer ends]

(In the Nicaraguan leader's opinion, Honduras is the key country in this plan. Sergio Ramirez believes that there are Argentine advisers collaborating there, "although we have no evidence that the Buenos Aires government has sent them." "They may be a kind of mercenary in the pay of the CIA.")

Question: The "peace" negotiations between the United States and Nicaragua have not begun. There is a basic disagreement between Washington and Managua; the arms shipments which you are allegedly sending to the Salvadoran guerrillas.

Answer: That is the gordian knot -- the alleged arms we are sending to the Salvadorans. The Reagan administration is threatening us because we are a revolutionary government, and that is the source of the fabrication about the arms. The United States knows perfectly well that the Salvadoran guerrillas, who are far richer than we were, can secure arms within the United States itself and send them through Guatemala or else Honduras to El Salvador.

The Nicaraguan Government is in no way involved in the sending of arms to El Salvador. The fact that we do not repress the Salvadoran guerrillas is a different matter, and perhaps they might send some arms to their country through Nicaragua.

Question: And do you not believe that this could be an argument for Washington?

Answer: Yes, but a better argument should be that the arms for El Salvador -- a country with which we have no border -- pass through Honduras. The Americans long ago sent to the Gulf of Fonseca -- the natural connecting route between Nicaragua and El Salvador -- a spy ship equipped with the most impressive surveillance systems. They have never been able to prove anything. Moreover, we have repeatedly asked that a joint surveillance force be set up on the border between our country and Honduras. We firmly believe that Washington is using the issue of the arms as a smokescreen. What they do not like is our revolution.

Question: Because of its consolidation?

Answer: The United States has an obsession about us. We must form part of its worst nightmares. We are bothering it in the Caribbean -- its imperial "mare nostrum." It wishes to destroy the Nicaraguan revolution because it is opposed to the bad example. We are proof that we can free ourselves with weapons in our hands and be independent of it.

Question: Do you believe an understanding with the Reagan government is possible?

Answer: Yes, if they demonstrate good will. We desire it. We even want a nonaggression pact with Honduras, with precise delimitation of borders. Nicaragua only desires peace and stability in Central America.

Question: Is Nicaragua prepared to negotiate with the United States without Mexico's mediation?

Answer: In no way will we sit down with Washington's representatives without the Mexicans' presence, without anybody to listen to it. Without witnesses they would always blame us for a possible failure of the talks. Mexico's presence is essential for Nicaragua, but I do not believe that the Americans are opposed to it.

Question: Are you a people under arms? The Sandinist leadership is being accused of dangerously rearming Nicaragua.

Answer: We are. All our citizens are intensively trained to defend themselves. But we scarcely spend money on arms. We receive gifts of arms from some countries, but I will make it clear to you, not from the Soviet Union or from Cuba -- a country with which, within our nonalignment, we maintain excellent relations. France has sold us some arms on very favorable terms.

Question: What countries are these donors?

Answer: They have never said it officially, and we do not deem ourselves authorized to reveal it.

Question: European, Latin American...?

Answer: No, no, neither European nor Latin American....

Question: Well then, that leaves African and Asian countries.

Answer: They are African countries, but I am not going to name them. Look, in Nicaragua today over 40 percent of the budget goes to education, health and construction. Health comes first and defense expenditure comes only fourth.

Question: The junta, of which you are a member with Daniel Ortega and Rafael Cordova, is accused of turning Nicaragua into a totalitarian and Marxist state.

Answer: In my country 80 percent of coffee and cotton production is in private hands, as is 70 percent of industry. That has not changed since the triumph of the revolution. Only in the agrarian field is there a reform plan to take over idle or badly cultivated land, and only on farms exceeding 500 hectares.

Question: Do you deem private enterprise and the intensification of the revolutionary process compatible?

Answer: That is the challenge and that is the originality of our process. A senior Spanish political personality was telling me yesterday that pluralism is difficult to maintain in a triumphant armed revolution. But we are optimistic despite the situation. We wish to be given credit for what we have done over the last 3 years, not to be accused of what we have not done.... We are accused of intending to suppress the parties, of intending to eliminate private enterprise, but we have adopted neither measure.

Question: Are you a Marxist?

Answer: I am a man of the 20th century, I am well acquainted with Marxist theory and we are attempting to apply it in Nicaragua, insofar as it is valid. But Sandinism has other inspirations, including revolutionary Christianity.

Question: But, are you a Marxist?

Answer: I am not a Marxist. There are Marxists and Marxist-Leninists in the Sandinist front.... In the junta, I could not tell you.

Question: What is your opinion, as a Nicaraguan leader, of the recent statements by Eden Pastora, who used to be "Commandante Cero" accusing you of betraying the Sandinist blueprint?

Answer: Obviously, there are dissidences in any revolutionary processes, and his is one more. Pastora's statements were not the gravest matter the revolution has had to face, nor have they had the internal repercussion for which he and some of his advisers were hoping. The reaction was adverse.

Question: Do you not find the change too spectacular and the timing of the statements very delicate for Nicaragua?

Answer: We knew his stance in advance. Some time ago we respected his decision to go and fight with the Guatemalan guerrillas, which he then never carried out, although we never supported it as a government. Eden Pastora has been contaminated in Mexico and Panama by people opposed to the revolution, by people who were not honest.

I know Pastora, and on a personal basis I can tell you that he is no counterrevolutionary. His problem is that he has no ideology and no political ability. He is like wet cement in which anybody could leave his footprint....

Question: Do you deem "Commandante Cero" recoverable?

Answer: As a personal wish, I would like it. But I deem it very unlikely. He has thrown himself down a bottomless abyss, and there is only one counterrevolution. Pastora is a man who has no perseverance; he has a penchant for surprise attacks and he will certainly attempt one in Nicaragua. But with what troops? He has no troops other than the Somozaist guardsmen, the guardsmen who are in Honduras.

Question: Are you personally afraid for the Nicaraguan revolution's future?

Answer: Look, what I would like is a peaceful and orderly path toward the 1985 elections and for the people to confirm us in power at that time. But if we are taken along the path of confrontation.... We do not want the radicalization of the process; we only want understanding and international support. That alone.

#### U.S. EXPORT QUOTAS TO AFFECT SUGAR EARNINGS

PA111840 Panama City ACAN in Spanish 2139 GMT 8 May 82

[Excerpt] Managua, 8 May (ACAN-EFE) -- The U.S. President's announcement on 6 May imposing export quotas on sugar-producing countries will reduce Nicaragua's foreign exchange earnings by \$9 million this year. According to Daisy Castillo de Cajina, in charge of the Nicaraguan Sugar Enterprise (ENAZUBAR), this is equivalent to some 800,000 quintals that Nicaragua has not sold so far this year. Cajina said that Nicaragua and the other affected countries will protest the quotas. Before imposing the quotas, the United States bought all of Nicaragua's sugar exports, which will be 3,703,000 quintals this year. Daisy Castillo de Cajina added that "with the Reagan administration's new policy, the United States will buy from us a little more than 1 million quintals, which means that we will have to sell almost 1.7 million quintals in other countries."

HAVANA REJECTS U.S. CRITICISMS OF ECONOMY

PA11607 Havana International Service in Spanish 0000 GMT 11 May 82

[Station commentary]

[Text] In view of the development of the revolutionary struggle in Latin America, particularly in El Salvador and Guatemala, the U.S. Government has intensified its campaign of lies and slanders against Cuba. It is now trying to make people believe that the Cuban economy is in ruins. Even President Ronald Reagan and Secretary of State Alexander Haig have made direct references to this, saying that communism has failed in Cuba and that the only thing that our country can do to solve its problems is to rejoin the capitalist system.

In the midst of this campaign some U.S. and West European newspapers have placed emphasis on trying to show that the Cubans' standard of living has declined and is becoming worse. Some Latin American newspapers have repeated this and have said that socialism is inconsistent with the economic interests and characteristics of the countries of this continent.

The first thing that must be said in this regard is that despite a very serious international economic crisis, the Cuban economy has never been as strong as it is now. It must also be stated that one of the essential objectives of socialism is increasing the population's standard of living. In the system which exists in Cuba, social and personal consumption are integrated. This not only includes the goods that the workers can purchase directly but also those of a social character that are offered free to the people.

It is enough to state that although we are still underdeveloped, Cuba, because it is a socialist nation, guarantees that any person can be seen by a doctor, can have surgery or benefit from a transplant without having to pay one cent. Education in Cuba is also completely free at all levels. The socialist state has to invest huge amounts of resources not only in installations but also in training and paying thousands of teachers so they can provide their services to more than 3 million students, almost one out of three inhabitants of the country.

To this must be added the fact that the underdeveloped countries which have carried out a socialist revolution have had a distorted and poor material base, independent of their potential wealth. The construction of socialism beginning with economic underdevelopment, as in the case of Cuba, includes a period in which intense efforts and constant sacrifices must be made in order to accumulate resources for its own development. As a result, the abundance of material goods depends on the need to undertake huge basic investments in industry and agriculture as well to build schools, hospitals, roads and other infrastructure projects. This cannot be put off. In this way, the technical and material base of socialism can be established.

In the case of Cuba, this has been an arduous battle considering that we have had to face our inexperience and deficiencies and the despicable economic blockade imposed by the United States. It is true that we still have ration cards, but what the people can obtain with them and at the parallel free sales market is much more than what the large majority of the populations' of the underdeveloped capitalist countries can buy.

It is also true that the number of automobiles per capita in Cuba is low compared to a developed capitalist country but we do not have a shortage of schools or hospitals; we do not suffer racial or sexual discrimination and we do not have unemployment or high inflation rates.

The Cuban people are completely convinced that their efforts today will result in well-being in the future. The product of those efforts will not enrich any millionaire or transnational company but will instead revert to all the society. The Cuban people, grateful and internationalist, believe that they have the revolutionary duty to help to the extent of their possibilities other fraternal peoples who at this time have greater difficulties than we have.

GOVERNMENT CONFIRMS VENEZUELAN MILITARY INCURSION

PA111440 Paris AFP in Spanish 1417 GMT 11 May 82

[Text] Georgetown, 11 May (AFP) -- Despite Venezuelan denials, the Guyanese Government confirmed today that Venezuelan troops exchanged gunfire with Guyanese soldiers. There were no reports on the scope of the Venezuelan incursion or whether there were wounded. The government communique indicated only that the invaders were repelled by Guyanese troops.

According to an official report in this capital today, the Venezuelan incursion occurred in the region of Eteringbang, 320 km west of Georgetown. Foreign Minister Rashleigh Jackson today notified Venezuelan Ambassador Sadio Garavini of the incursion. The Guyanese Defense Committee described the situation as "grave" after the military incident and the government's written explanation [words indistinct] today about the scope of the Venezuelan incursion.

## Troops Fired on Venezuelans

FL111336 Bridgetown CANA in English 1325 GMT 11 May 82

[Excerpt] Georgetown, Guyana, 11 May (CANA) -- The state-owned CHRONICLE newspaper said here today that Guyanese soldiers late yesterday opened fire on Venezuelan troops who crossed the Cuyuni River border into this country. The report said the Guyanese had to twice as warning to the Venezuelans to withdraw. It added that "as far as can be ascertained, there were no casualties."

The paper said the incident occurred across the river from Ankoko Island, half of which is Guyana territory but which was seized by Venezuela in late 1966. When the armed troops made the incursion yesterday afternoon, Guyanese soldiers from the military post at Eteringbang "opened fire and warned the armed intruders not to advance further as they were trespassing on Guyanese territory." The CHRONICLE said they remained in position for some time, but "some were known to have withdrawn when the Guyana Defence Force (GDF) soldiers opened fire again."

## Government Files Protest

PA111557 Paris AFP in Spanish 1536 GMT 11 May 82

[Excerpt] Georgetown, 11 May (AFP) -- It was officially confirmed here today that Venezuelan troops entered Guyana on Monday and were repelled by Guyanese soldiers after a heavy exchange of fire with light weapons between the two armies. The Guyanese Government has protested to Sadio Garavini, Venezuelan ambassador in Georgetown, about the Venezuelan military incursion, which occurred in the region of Eteringbang, 320 km west of this capital.

There were no reports of wounded on either side, but the Guyanese Government report added that the Venezuelan military invaders have their garrison on Ankoko Island, located very near the two countries' border. It was noted that Venezuelan infantry and artillery units trained in jungle fighting are based in Ankoko.

As a result of the military incursion, Foreign Minister Rashleigh Jackson not only delivered an official protest to Ambassador Garavini but has sent notes denouncing the incident to the resident ambassadors in Georgetown, including those of Brazil, Colombia and Cuba and the British high commissioner.

## Ambassador Denies Report

FL111800 Bridgetown CANA in English 1743 GMT 11 May 82

[Text] Georgetown, Guyana, 11 May (CANA) -- Guyana said today its troops had opened fire on armed Venezuelan soldiers who had intruded onto its territory, but Venezuela had dismissed the report as part of a propaganda war being waged by the government of President Forbes Burnham to divert attention from internal problems. Guyana reported on the incident in the state-owned CHRONICLE newspaper, which said the local troops twice had to fire on the Venezuelans to warn them they were trespassing.

President Venezuelan Ambassador Sadio Garavini disclosed this afternoon that he was summoned to a meeting with Guyana Foreign Minister Rashleigh Jackson last night and informed of the incident. "I expressed my concern over the report and promised to contact my foreign minister, and I have done so," the envoy explained. "I was advised by my foreign minister that no such invasion took place and I have since informed Mr Jackson."

The Guyana minister was attending the weekly Tuesday meeting of cabinet and thus unavailable for comment.

In its unsourced report, the CHRONICLE said that some of the Venezuelan soldiers had withdrawn after the firing, but it could not be ascertained whether there were any casualties. The report did not say if the Venezuelans had returned the fire. The incident is said to have taken place on the edge of the Cuyuni border river at a place called Eiteringbang, where the Guyana Defence Force maintains a camp. Just across from there is the island of Ankoko which had been shared by the two countries until Venezuela took over the Guyana half late 1966. Venezuela is claiming all territory west of the Essequibo River (five-eighths of Guyana's 215,000 square kilometers) and has said it will not renew an agreement to freeze the dispute when it expires next month.

Ambassador Garavini said there was no truth whatsoever in the CHRONICLE's story... "and I personally feel that the Guyana Government is itself magnifying any and every small incident to suit its propaganda purposes because of the internal situation in this country. "I want to make it clear that there is no invasion of any sort into Guyana and there is no truth in the newspaper report," he declared.

The ambassador did not entirely rule out the possibility of something having taken place on the border yesterday. he said that when there are soldiers on both sides of a border "there are bound to be incidents... and that is not limited to Guyana and Venezuela." He added, however: "I am alarmed at the apparent will of the Guyana Government to magnify small incidents for its own objectives, and it seems to me that there is a propaganda war on.

He repeated earlier Venezuelan contentions that the situation in the Falkland Islands was different from that involving his country and Guyana. "The Argentines have been claiming for some 150 years that the Falklands belong to them, and there is no agreement between Argentina and Britain. There is an agreement between Venezuela and Guyana to resolve the the border dispute peacefully. It would be a stupid act for Venezuela to invade Guyana, and, in addition, it would be a violation of international law.

"It is true that in Venezuela some newspaper editors have been calling on the government to invade the Essequibo, but they are not leading individuals in the society. The major newspapers are not calling for any such action, and the government, the political administration, and the other politicians and economic and military experts have not made any such calls. I say that we are committed to finding a peaceful solution to the Guyana/Venezuela border dispute, and this is provided for in the agreement between the countries."

CHILEPINOCHET VOICES CONCERN OVER CHILE'S FUTURE

PY120626 Paris AFP in Spanish 2231 GMT 11 May 82

[Text] Santiago, Chile, 11 May (AFP) -- Today Chilean President Gen Augusto Pinochet revealed his concern for the political future of the country but also voiced confidence that the current economic problems will be overcome.

In a speech before a group of voluntary workers of a woman's organization presided over by his wife, Lucia Hiriart de Pinochet, the chief of state stated: I feel an unrest which I cannot overcome: What will become of this country after this administration? He continued musing: Will the political parties return? Will the politicians cause unrest? Will we lose all we have achieved during these years because of the ambitions of some few? Pinochet's words were interpreted as an answer to the opposition, which has lately been demanding a return to democracy, after 8 and 1/2 years of a military regime during which the political parties have remained officially dissolved.

In referring to the critical position which the Catholic Church has taken regarding his government, the Chilean president stated that there are even religious organizations which are already thinking of the future and of subversive tactics. However, he reiterated his faith in the fulfillment of the goals established during this period of transition which, according to the constitution approved last year, should end in 1989.

Pinochet also maintained that the economic difficulties which appeared during the past year and which resulted in the closing down of many companies, a drop in the production, an increase in unemployed which in April amounted to 15 percent and an important imbalance of \$2.6 billion in foreign trade, will be solved. We are going to overcome these problems and continue the path we have chosen, ended the president's message to a group of voluntary workers.

ECUADORUK, U.S. DIPLOMATIC, TRADE TIES TO CONTINUE

PA110500 Madrid EFE in Spanish 0255 GMT 11 May 82

[Excerpt] Quito, 10 May (EFE) -- Ecuadorean Foreign Minister Luis Valencia believes that at this time it is appropriate to "maintain continental unity and solidarity in face of extracontinental aggression." In this regard he has said that any measure to be adopted must be "a multilateral answer in face of aggression." For this reason he has ruled out the possibility that the Ecuadorean Government could unilaterally break its diplomatic or trade relations with Great Britain or the United States as has been requested by various political, intellectual and union sectors. Valencia was interviewed today upon his return from Costa Rica. He headed the Ecuadorean delegation at President Luis Alberto Monge's inauguration.

U.S., ECUADOR TO BEGIN TUNA TALKS IN LIMA

PA112356 Quito Voz de los Andes in Spanish 1230 GMT 11 May 82

[Text] Orlando Alcivar, minister of industries, commerce and integration, will travel to Lima to meet with a U.S. foreign trade official. The goals of his visit are to restore the U.S. tuna market which was closed 1 and 1/2 years ago; to discuss a bill being considered in the U.S. Senate, which would establish a tariff on Ecuadorean shrimp exports; and to talk about the problem that Ecuadorean exports will face when Panama Canal tolls are raised at the end of the year.

Here are Alcivar's statements: [begin recording] Basically, I want to get the tuna market with the United States opened again and to secure special treatment for our ships in the Panama Canal this year. However, I want to note that, in this regard, the regulations that control navigation in the Panama Canal allow no preferential treatment for any ship, regardless of its country of origin or any other factor. Therefore, this will not be an easy matter. [end recording]

PERU

'ALL POSSIBLE' SUPPORT OFFERED ARGENTINA

PY111658 Paris AFP in Spanish 1619 GMT 11 May 82

[Excerpt] Lima, 11 May (AFP) -- Peruvian Foreign Minister Javier Arias Stella stated here this morning that Argentina can ask for military support of the continent against Great Britain. In an interview granted to Panamericana Television of Lima, the minister stated that, with the extension by Great Britain of the exclusion zone to the maritime zone of Argentine jurisdiction, article 3 of the Inter-American Reciprocal Assistance Treaty [TIAR] is applicable. Arias Stella recalled that that article states that when an American country is attacked by an extra-continental force the other countries will consider the attack as against themselves and are authorized to adopt appropriate measures, including military measures. He recalled, however, that Argentina has not yet resorted to this article, although it has already denounced the aggression to the OAS, as was also done by Peru.

He also stated that Peru expresses solidarity with Argentina and that President Fernando Belaunde Terry has stated that he will provide all possible support, with no restrictions. So far, he continued, efforts have been made at the OAS level seeking to reestablish peace, as requested by Argentina during the last meeting of the consultative organ.

URUGUAY

URUGUAY TO RECEIVE ARGENTINE PRISONERS 13 MAY

PY111637 Montevideo Radio El Espectador Network in Spanish 1600 GMT 11 May 82

[Text] It has been reported that the Argentine prisoners from the South Georgia Islands are going to arrive in Montevideo next Thursday. This report was confirmed a few minutes ago to Radio El Espectador by Acting Foreign Minister Feliberto Ginzo Gil. He also said (?a group) of civilians and military personnel is traveling in a Red Cross airplane from Ascension Island, a British base.

He said that the prisoners will immediately be turned over to the Argentine Government following the same procedure used when the Malvinas arrived. These are the acting foreign minister's remarks:

[Begin Ginzo Gil recording] It is true; Uruguay, faithful to its international policies, is going to receive on the 13th, Thursday, the military men who were in the Georgias as well as the civilians. These men, civilian and military, who were in the Georgias will be turned over to Argentine Government immediately. The operation will be carried out next Thursday. We still do not know the hour or how we are going to hand them over to Argentine officials. We are waiting, but we are implementing the appropriate measures. This is all the news I can provide at this time. [end recording]